

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

IN THE MATTER OF: JEFFREY A. COBURN, CRD #6192783

File No. 1600428

**CONSENT ORDER**

TO THE RESPONDENT:

Jeffrey A. Coburn  
3260 N. Lake Shore Dr. #7A  
Chicago, IL 60657

CC: Arete Wealth Advisors, LLC and  
Arete Wealth Management, LLC  
Attn: Joshua Rogers, President  
1101 W Lake St., 1<sup>st</sup> Fl.  
Chicago, IL 60607

WHEREAS, the Respondent, Jeffrey A. Coburn, on July 25, 2016 executed a certain Stipulation to Entry of Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondent has admitted to the jurisdiction of the Secretary of State, service of the Notice of Hearing in this matter, and consented to the entry of this Consent Order.

WHEREAS, the Secretary of State, by and through his designated representative, the Securities Director, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceeding.

WHEREAS, the Respondent has acknowledged that the allegations contained in paragraph VII of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. On April 27, 2016, Respondent, Jeffrey A. Coburn, submitted an application for registration (a Form U4) as an investment adviser representative and salesperson, pursuant to Section 8 of the Act.

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2. Respondent's employers at the time were Arete Wealth Advisors, LLC (CRD #145488) and Arete Wealth Management, LLC (CRD #44856).
3. On May 25, 2016, the Securities Department informed Respondent's employers that Respondent needed to resolve his outstanding debt with the Illinois Department of Revenue by getting on a payment plan or paying the balance owed (approximately \$103,283.34 for the years 2006-2013).
4. At least as of July 6, 2016, Respondent established a payment plan with the Department of Revenue.
5. On July 6, 2016, Respondent and his employer were notified by the Securities Department that the following liens and judgments had not been disclosed, despite the liens and judgments being filed and/or unresolved during times when Respondent had a duty to disclose them in his Form U4 filings. The Securities Department also urged Respondent and his employers to make sure that there were no other liens or judgments that should have been disclosed.
  - i. A state tax lien in the amount of \$9,333.
  - ii. A federal tax lien in the amount of \$34,304.
  - iii. A federal tax lien in the amount of \$40,377.
  - iv. A federal tax lien in the amount of \$9,044.
  - v. A civil judgment in the amount of \$6,668.
  - vi. A civil judgment in the amount of \$10,344.
  - vii. A civil judgment in the amount of \$1,911.
  - viii. A civil judgment in the amount of \$3,400.
6. Respondent provided the necessary information to his employers and, on July 7, 2016, Respondent's employers filed amendments to Respondent's Form U4, disclosing seven of the eight liens and judgments. Missing was the state tax lien in the amount of \$9,333.
7. Also on July 7, 2016, Respondent's employers filed a Form U5 terminating his employment, after permitting Respondent to resign due to his "failure to fully disclose existence of liens."
8. Section 8.C(8) of the Act provides, *inter alia*, that any change which renders no longer accurate any information contained in any application for registration or re-registration as

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a salesperson shall be reported to the Secretary of State within 10 business days after the occurrence of such change.

9. Section D-5 of the Act provides, *inter alia*, that a change which renders no longer accurate any information contained in any application for registration or re-registration as an investment adviser representative must be reported to the Secretary of State within 10 business days after the occurrence of the change.
10. Section 12.D of the Act provides, *inter alia*, that it shall be a violation of the provisions of the Act for any person to fail to file with the Secretary of State any application, report, or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
11. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the salesperson or investment adviser representative has violated any of the provisions of this Act.
12. Section 8.E(1)(h) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the Secretary of State finds that there has been made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's or investment adviser representative's business repute or qualifications or has refused to furnish any such information requested by the Secretary of State.
13. Section 8.E(1)(o) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be denied, suspended, or revoked if the Secretary of State finds that such salesperson or investment adviser representative has failed to file a return, or to pay the tax, penalty, or interest shown in a filed return, or to pay any final assessment of tax, penalty, or interest, as required by any Act administered by the Illinois Department of Revenue, until such time as the requirements of that Act are satisfied.
14. Section 11.E(4) of the Act provides, *inter alia*, that the Secretary of State, after finding that any provision of the Act has been violated, may issue an order of censure, charge costs of investigation, and impose a fine not to exceed \$10,000 for each violation of the Act.
15. Section 11.F(1) of the Act provides, *inter alia*, that the Secretary of State may suspend or revoke the registration of a salesperson or investment adviser representative and impose a fine for violation of the Act after an opportunity for hearing upon not less than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned.

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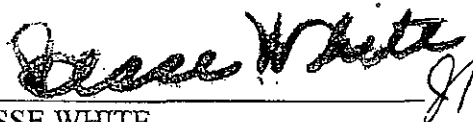
WHEREAS, Respondent has acknowledged that the allegations contained in paragraph VIII of the Stipulation shall be adopted as the Secretary of State's Conclusions of Law as follows:

16. By virtue of the foregoing, Respondent has violated Section 12.D of the Act and is subject to sanctions pursuant to Sections 8.E(1)(g), (h), and (o) of the Act.
17. By virtue of the foregoing, Respondent is subject to a fine of up to \$10,000 per violation, an order of censure, and an order that suspends or revokes his registration in the State of Illinois pursuant to Sections 8 and 11 of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT:

18. Respondent will make a monetary payment, within ten business days from the entry of the Consent Order, in the amount of one thousand five hundred dollars (\$1,500) to the Illinois Secretary of State for deposit in the Securities Audit and Enforcement Fund. The payment will be mailed to the Illinois Securities Department, 421 E. Capitol Ave., 2nd Fl., Springfield, Illinois 62701.
19. Respondent is Censured.
20. Respondent will abide by the terms of the current payment plan with the Department of Revenue and has a continuing duty to timely file his taxes and make payment arrangements for any amounts owed in the future.
21. Respondent has a continuing duty to disclose the currently missing state tax lien and to make any and all other required disclosures in future Form U4 filings.
22. The Department will retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions stated herein.
23. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

ENTERED: This 26<sup>th</sup> day of July, 2016.



JESSE WHITE  
Secretary of State  
State of Illinois

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Attorney for the Secretary of State:

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