

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:	DENNIS E. KAGEL:)	
	Dennis Kagel Financial Services, LLC)	File No. 1300300
)	
)	

CONSENT ORDER OF CENSURE

TO THE RESPONDENT: Dennis Eugene Kagel (CRD #735448)
c/o Attorney Steve Kinion
Zack Stamp, Ltd.
601 W. Monroe St.
Springfield, IL 62704

WHEREAS, Respondent, Dennis Eugene Kagel ("Respondent"), on the 2nd day of November, 2016, executed a certain Stipulation to Enter Consent Order of Censure ("Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department, dated October 17, 2014 in this proceeding ("Notice") and Respondent has consented to the entry of this Consent Order of Censure ("Consent Order").

WHEREAS, by means of the Stipulation, Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

1. That respondent is an Illinois resident who maintains an address at 321 Susan Drive, Suite A, Normal, Illinois 61761 and an office address at #5 Bent Court, Bloomington, Illinois 61704.

Consent Order of Censure

-2-

2. That on February 18, 2014 Horter Investment Management, LLC, a SEC registered investment adviser, filed a 2014 Form U4 application for registration of Respondent as an investment adviser representative in the State of Illinois.
3. That pursuant to the authority granted under Sections 8 and 11.F of the Illinois Securities Law of 1953 [815 ILCS 5, et seq.] (henceforth the "Act"), the Secretary of State determined that Respondent's application (henceforth "Application") for registration as an investment adviser representative in the State of Illinois is subject to a Summary Order of Denial.
4. That on August 11, 2014, the Secretary of State issued a Summary Order of Denial, denying Respondent's application for registration as an investment adviser representative in the State of Illinois, subject to the further Order of the Secretary of State, and notifying Respondent of his right to a hearing on the matter.
5. That Horter Investment Management, LLC, a federal covered investment adviser, did not file a 2015 Form U4 application for registration of Respondent as an investment adviser representative in the State of Illinois, but did file a 2016 Form U4 application for registration of the Respondent.
6. That subsequently, on April 24, 2015, Redhawk Wealth Advisors, Inc., CRD No. 146616 ("Redhawk"), a registered investment adviser, filed a 2015 Form U4 application for registration of Respondent as an investment adviser representative in the State of Illinois. On July 18, 2016, Redhawk filed a U5 form withdrawing the previously filed U4 application.
7. That the administration of the Act, including registration of an investment adviser representative in the State of Illinois is vested in the Secretary of State pursuant to Sections 8 and 11 of the Act.
8. That in April 2014, pursuant to Respondent's application for registration with the State of Illinois as an Investment Adviser Representative, the Department conducted an on-site examination of Respondent's books and records and requested, *inter alia*, a copy of Respondent's current business card and current letterhead.
9. That during the Department's Examination, Respondent presented his business card and letterhead which contained misleading/false statements regarding Respondent's credentials.

Consent Order of Censure

-3-

10. That Respondent's *letterhead* made the following *misleading* statements:
 - a. That Respondent is a "Registered Representative," where Respondent has not been a "Registered Representative" in the State of Illinois since May 2011 (over 5 years).
 - b. That the "Securities" [are] offered through Ameritas Investment Corp. (AIC) member NASD/SIPC," where Respondent has not offered securities through AIC since 2010 (over 5 years); and where NASD (FINRA's predecessor) has not been an existing entity by that name since 2007.
 - c. That Respondent claimed on his letterhead "SIPC" Insurance Coverage. In fact, at the time of the exam, Respondent Kagel's customers were not covered by SIPC insurance, as neither Kagel nor Kagel Financial Services were members of SIPC and/or associated with a SIPC Member.

11. That Respondent's *business card* made the following *misleading* statements:
 - a. That Respondent is an "Investment Advisor Representative," where Respondent was not (and is not) registered as an "Investment Advisor Representative" in the State of Illinois.
 - b. That the "Securities [are] offered through Redhawk Wealth Advisors member NASD/SIPC," where Respondent was and is no longer affiliated with Redhawk.
 - c. Respondent is claiming "SIPC" Insurance Coverage on his business card. In fact, at the time of the exam, Respondent Kagel's customers were not covered by SIPC insurance, as neither Kagel or Kagel Financial Services were members of SIPC and/or associated with a SIPC Member.

12. That Section 8.E(1)(b) of the Act provides, *inter alia*, subject to the provisions of Section 1.F of the Act, that the registration of an investment adviser representative may be denied if the Secretary of State finds that the investment adviser representative has engaged in any unethical practice in connection with any security, the offer or sale of securities, or in any fraudulent business practice.

Consent Order of Censure

-4-

13. That Section 8.E.(1)(m) of the Act provides *inter alia*, subject to the provisions of Section 11.F of the Act, that the registration of an investment adviser representative may be denied if the Secretary of State finds that the investment adviser representative has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct the business of the investment adviser representative.
14. That Section 8.E.1(g) of the Act provides, *inter alia*, subject to the provisions of Section 11.F of the Act, that the registration of an investment adviser representative may be denied if the Secretary of State finds that the investment adviser representative has violated any provision of this Act.
15. That Section 12.J.(2) of the Act provides, *inter alia*, that it shall be a violation of the provisions of this Act for any person, when acting as an investment adviser representative, by any means or instrumentality, directly or indirectly, to engage in any transaction, practice of course of business which operates as a fraud or deceit upon any client or prospective client.
16. That Respondent Kagel registered a web site with the domain name of www.safemoneywizard.com (the Website).
17. That at all relevant times, Respondent Kagel was the administrator of the web site with the domain name of www.safemoneywizard.com.
18. That Respondent Kagel knew or should have known that the material on The Website would be widely circulated and available for public viewing throughout Illinois and beyond.
19. That the Website made the following *misleading* statements:
 - a. That Respondent has been improperly holding himself out as an "Investment Advisor Representative Registered with the State of Illinois" on one or more websites, including www.safemoneywizard.com, when he is not registered as such.
 - b. That on one or more of Respondent's websites, including www.safemoneywizard.com, Respondent's website(s) have falsely indicated/implied that Kagel is affiliated with "Redhawk Wealth Advisors, Inc. An SEC-Registered Investment Advisor." In fact, Respondent has not been affiliated with Redhawk Wealth Advisors, Inc. since March 2014.

Consent Order of Censure

-5-

20. That Section 8.E(1)(b) of the Act provides, *inter alia*, subject to the provisions of Section 11.F of the Act, that the registration of an investment adviser representative may be denied if the Secretary of State finds that the investment adviser representative has engaged in any unethical practice in connection with any security, the offer or sale of securities, or in any fraudulent business practice.
21. That Section 8.E(1)(m) of the Act provides, *inter alia*, subject to the provisions of Section 11.F of the Act, that the registration of an investment adviser representative may be denied if the Secretary of State finds that the investment adviser representative has conducted a continuing course of dealing of such nature as to demonstrate an inability to properly conduct the business of the investment adviser representative.
22. That Section 8.E(1)(g) of the Act provides, *inter alia*, subject to the provisions of Section 11.F of the Act, that the registration of an investment adviser representative may be denied if the Secretary of State finds that the investment adviser representative has violated any provision of this Act.
23. That Section 12.J(2) of the Act provides, *inter alia*, that it shall be a violation of the provisions of this Act for any person, when acting as an investment adviser representative, by any means or instrumentality, directly or indirectly, to engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client.
24. That Respondent has engaged legal counsel to review all advertising materials produced by the Respondent.
25. That in December 2015, Respondent completed a continuing education ethics Course titled "Guidelines for Professional Ethical Conduct" in order to Preemptively comply with a Heightened Supervision Agreement.

WHEREAS, by means of the Stipulation Respondent Dennis E. Kagel, acknowledges without admitting or denying, that the following shall be adopted as the Secretary of State's Conclusion of Law:

26. That by virtue of the foregoing, Respondent's registration as an investment adviser representative in the State of Illinois is subject to denial, pursuant to Sections 8.E(1)(b), 8.E(1)(m), and 8.E(1)(g) of the Act.

Consent Order of Censure

-6-

27. That by virtue of the foregoing, Respondent Kagel violated Sections 12.H and 12.J(2) of the Act.
28. That by virtue of the foregoing, Respondent may be denied, prohibited or suspended from offering or selling any securities in this State, fined, and censured pursuant to Section 11 of the Act.

WHEREAS, by means of the Stipulation, Respondent has acknowledged and agreed that:

- A. Respondent Dennis E. Kagel, shall be censured;
- B. Respondent Dennis E. Kagel, shall cease and desist from any conduct in violation of the Act;
- C. If Respondent Dennis E. Kagel becomes registered with the State of Illinois, Respondent shall comply with the terms and conditions set forth in the Heightened Supervision Agreement;
- D. Respondent, Dennis E. Kagel, shall make a monetary payment in the amount of fifteen thousand dollars (\$15,000.00) to the Illinois Secretary of State for deposit in the Securities Audit and Enforcement Fund. The check shall, within ten (10) business days of entry of the Consent Order, be mailed to the Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602; and
- E. The Department will retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions stated herein.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

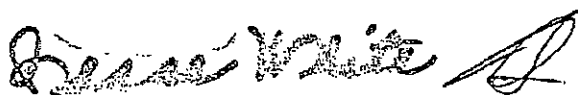
1. Respondent Dennis E. Kagel, Is Censured.
2. Respondent Dennis E. Kagel, shall cease and desist from conduct in violation of the Act.

Consent Order of Censure

-7-

3. Respondent Dennis E. Kagel shall comply with the terms and conditions set forth in the Heightened Supervision Agreement if Respondent becomes registered with the State of Illinois.
4. Respondent, Dennis E. Kagel, will make a monetary payment in the amount of fifteen thousand dollars (\$15,000.00) to the Illinois Secretary of State for deposit in the Securities Audit and Enforcement Fund. The check will, within ten (10) business days of entry of the Consent Order, be mailed to the Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602.
5. The Department shall retain jurisdiction over this proceeding for the sole purpose of enforcing the terms and provisions stated herein.
6. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED: This 14th date of November, 2016



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953 [815 ILCS 5] ("Act"). Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony.