

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

IN THE MATTER OF:)	
)	
)	File Number: 1200135
Kevin Gerald Kolz (CRD#4031249))	
)	
)	

TEMPORARY ORDER OF PROHIBITION & SUSPENSION

TO THE RESPONDENT:

Kevin Gerald Kolz
(CRD #4031249)
2418 Daybreak Court
Elgin, Illinois 60123

Kevin Gerald Kolz
c/o John McClellan
Chief Compliance Officer
Sigma Financial Corporation (CRD# 14303)
4261 Park Road
Ann Arbor, Michigan 48103-9508

Kevin Gerald Kolz
c/o John McClellan
Chief Compliance Officer
Sigma Planning Corporation (IARD# 110692)
4261 Park Road
Ann Arbor, Michigan 48103-9508

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

FAILURE TO DISCLOSE OUTSIDE BUSINESS ACTIVITY ON FORM U-4

1. Respondent **Kevin Gerald Kolz** ("Kolz") is an individual with a last known address of 2418 Daybreak Court, Elgin, Illinois 60123.
2. Kolz is currently registered with Sigma Financial Corporation as a securities salesperson and has been registered in this capacity since January of 2004.

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3. In addition, Kolz is currently registered with Sigma Planning Corporation as an investment adviser representative and has been registered in this capacity since August of 2007.
4. As early as 2011, Kolz began soliciting purported investments in undisclosed businesses based in Nigeria.
5. Investor A was an individual that Kolz approached about the investment in the Nigerian businesses. Investor A agreed to make the investments, and liquidated the proceeds of other investments in order to provide the funds for the investment in Nigerian businesses.
6. Kolz was registered as a securities salesperson of Sigma Financial Corporation at the time that he solicited Investor A to make investments in Nigerian businesses.
7. In addition, Kolz was registered as an investment adviser representative of Sigma Planning Corporation at the time that he solicited Investor A to make investments in Nigerian businesses.
8. Pursuant to the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act") and the Rules and Regulations promulgated under the Act, securities salespersons are required, through their broker-dealer, to file an application for registration with the Secretary of State by filing a U-4 form through the CRD system. The U-4 form must be amended within ten (10) business days when the salesperson experiences a change that renders any information contained in the initial application for registration inaccurate.
9. Kolz submitted his most recent U-4 form as a securities salesperson of Sigma Financial Corporation on June 19, 2009. On this U-4 form he answered the following question:

"Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business."
10. In answering this question, Kolz stated that he was involved in outside business activity, but failed to disclose that he was soliciting investments in Nigerian businesses or that he was otherwise involved with Nigerian businesses.

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11. At no time did Kolz update his U-4 Form to reflect that he was soliciting investments in Nigerian businesses or that he was otherwise involved with Nigerian businesses.
12. Section 12.D of the Act provides, *inter alia*, that it shall be a violation 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.
13. By virtue of the foregoing, Kolz violated Section 12.D of the Act.
14. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has violated any of the provisions of this Act.
15. By virtue of the foregoing, Kolz's registrations as a salesperson and investment adviser representative in the State of Illinois are subject to revocation or suspension pursuant to Section 8.E(1)(g) of the Act.

PROHIBITION AND SUSPENSION

16. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, and temporarily suspend the registration of a salesperson or investment adviser representative without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.
17. The entry of this **Temporary Order** suspending the registration of **Respondent Kevin Gerald Kolz** as a salesperson and investment adviser representative in the State of Illinois, and prohibiting **Respondent Kevin Gerald Kolz** from offering or selling securities in the State of Illinois, is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.
18. The aforementioned findings are based upon credible evidence.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act,

1. **Respondent Kevin Gerald Kolz** is **TEMPORARILY PROHIBITED** from offering or selling securities in or from the State of Illinois for a maximum period of ninety (90) days; and

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2. **Respondent Kevin Gerald Kolz's** registration as a securities salesperson and investment adviser representative in the State of Illinois is **TEMPORARILY SUSPENDED** for a maximum period of ninety (90) days.

NOTICE is hereby given that Respondent Kevin Gerald Kolz may request a hearing on this matter by transmitting such request in writing to:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602

Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition & Suspension**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and Suspension.

FAILURE OF ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION AND SUSPENSION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION AND SUSPENSION FINAL.

Dated this 27th day of April 2012.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602