

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

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**IN THE MATTER OF:** )  
**CRAIG GUTOWSKY,** )  
**d/b/a CMG TRADING CONSULTANTS,** ) **No 0800553**  
**their partners, officers and directors,** )  
**agents, employees, affiliates, successors and assigns.** )

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**ORDER OF PROHIBITION**

**TO RESPONDENT:**      **Craig Gutowsky**  
   d/b/a CMG Trading Consultants  
   19 Montclair Court  
   Cary, Illinois 60013

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on September 28, 2010 which prohibited Craig Gutowsky d/b/a CMG Trading Consultants and his partners, officers and directors, agents, employees, affiliates, successors and assigns ("Respondents") from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative,

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final,

WHEREAS, the Respondents have failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order,

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

- 1      Respondent Craig Gutowsky (hereinafter at times "Gutowsky" or "Respondent") has a last known address of 19 Montclair Court, Cary, Illinois 60013.
- 2      Respondent Gutowsky, at all relevant times herein, was doing business as CMG Trading Consultants ("CMG")
- 3      Gutowsky was the sole controlling representative and employee of CMG.

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4. Between February 2008 and October 2008 Gutowsky offered to at least three Illinois resident ("Investors") the opportunity to invest money in Gutowsky's trading enterprise, CMG
5. Gutowsky told the Investors that he was a proficient "securities trader" who would trade on behalf of Investors, and Investors would earn 10% per month on their investments
6. Between February and October 2008 Investors delivered to Respondent checks and cash totaling approximately \$180,000 ("Investments") and in return Respondent promised that he would trade on behalf of Investors under the terms set forth above
7. The activities described above in paragraphs 4-6 constitute the offer and sale of investment contracts, and therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act")

### FRAUD

8. Respondent did not trade securities as he promised investors or pay the Investors the amounts due them (Respondent made one payment of \$2000 to one Investor) according to the terms of the investment contract, but instead placed the Investments into his own account, and converted the funds to his own use and benefit.
9. Respondent failed and refused to notify Investors that he was converting the Investments to his own use and benefit, instead of using them for the business purpose of trading in securities.
10. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof".
11. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading".
12. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, "to employ any device, scheme or artifice, to defraud in connection with the sale or purchase of any security, directly or indirectly"

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- 13 By virtue of the foregoing, Respondent violated Sections 12.F, 12.G and 12.I of the Act and will violate them again if he makes further offers, or if he makes any sales of investment contracts or other securities described above in the State of Illinois

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11 F of the Act, Respondent **Craig Gutowsky d/b/a CMG Trading Consultants** and his partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that 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 for each offence.

This is a final order subject to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 *et seq.*] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Dated This 18<sup>th</sup> day of November 2010.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Attorney for the Secretary of State:

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