BEFORE THE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

KEVIN G. KOLZ,

Respondent.

PETITION FOR ORDER
(Summary)

File No. S-224801 (LX)

The staff of the Professional Registration & Compliance Bureau and the Bureau of Enforcement of the Division of Securities, Department of Financial Institutions, State of Wisconsin (the "Division"), have conducted an investigation in this matter pursuant to Wis. Stat. § 551.602, and as a result thereof allege as follows:

1. Kevin G. Kolz ("Kolz") (CRD #4031249) was a registered agent with Sigma Financial Corp. ("Sigma") (CRD #14303), and an adviser representative with Sigma Planning Corporation ("SPC") (CRD #110692), with a last known residential address of 2418 Daybreak Court, Elgin IL 60123.

2. Sigma is a corporation registered as a Broker Dealer in the State of Wisconsin from September 26, 1994 to the present. Sigma terminated Kolz's registration as a securities agent in Wisconsin on April 27, 2012.

3. SPC is a corporation notice-filed as a Federal Investment Adviser in the State of Wisconsin from April 25, 2002 to present. SPC terminated Kolz's registration as an investment adviser representative in Wisconsin on April 27, 2012.

4. On or about April 9, 2012, the Division became aware of an elderly Wisconsin investor who purportedly invested in a suspicious Nigerian entity through Kolz. Since Kolz is located in Illinois, the Division referred the matter to the Illinois Securities Department for an investigation of Kolz's activities and branch office in Illinois.

5. On or about April 20, 2012, the Illinois Securities Department began an investigation of Kolz.

6. On April 27, 2012, Illinois Securities Department staff and the internal compliance officer of Sigma/SPC arranged to meet with Kolz at his office for a branch office inspection. Kolz did not appear for the inspection and was subsequently discharged by Sigma and SPC on April 27, 2012.

7. On April 27, 2012, the Illinois Securities Department issued a Temporary Order of Prohibition and Suspension alleging that Kolz solicited investments in undisclosed businesses based in Nigeria and failed to disclose outside business activity on his Form

U-4 in violation of the Illinois Securities Act, which subjects his registration as a securities salesperson and investment adviser representative to suspension or revocation. Kolz did not request a hearing or otherwise contest the Temporary Order.

8. On June 7, 2012, the Illinois Securities Department issued a final Order of Prohibition and Revocation, again alleging the failure of Kolz to disclose outside business activity on his Form U-4. Under the Order of Prohibition and Revocation, Kolz is prohibited from offering or selling securities in or from the State of Illinois and his registration as an investment adviser representative and securities agent in the State of Illinois is revoked.

9. Wisconsin Admin. Code § DFI-Sec. 4.06(2)(c) prohibits as a dishonest or unethical business practice or taking unfair advantage of a customer "effecting any securities transaction not recorded on the regular books or records of the broker-dealer which the agent represents, unless the transaction is disclosed to, and authorized in writing by, the broker-dealer prior to execution of the transaction." Thus, Kolz was required to disclose the Nigerian transactions to and obtain approval from his broker-dealer, and his failure to do so violated § DFI-Sec. 4.06(2)(c). Kolz also failed to disclose this outside business activity in a Form U-4 amendment in violation of Wis. Stat. § 551.406(2).

10. On July 10, 2012, the Division sent a letter to Kolz requesting that he contact the Division to schedule an in-person meeting to discuss the matter referenced in the Illinois orders. Kolz was asked to contact the Division no later than July 23, 2012 to schedule an appointment. The Division's examiner followed up with telephone calls and voice mail messages. However, Kolz has not responded to the Division's request for a meeting, in violation of Wis. Stat. § 551.412(4)(q), which requires that he furnish information reasonably requested by the Administrator of the Division.

11. Under Wis. Stat. § 551.412(2), the Administrator may bar a future registration in the public interest when authorized by Wis. Stat. § 551.412(4). Under Wis. Stat. § 551.412(4)(e), the Administrator may bar the registration of Kolz following the revocation of his registration by another state securities regulator. Since Illinois has revoked Kolz's registration as an investment representative and broker dealer agent, it is appropriate and in the public interest for the Administrator to take such action based upon the Illinois order referenced in Paragraph 8 above.

THEREFORE, the staff of the Professional Registration & Compliance Bureau and the Bureau of Enforcement petitions the Administrator to issue an Order of Bar prohibiting future registration of Kolz in Wisconsin.

DATED this 10th day of October, 2012.

Leslie M. Van Buskirk
Attorney Supervisor
Bureau of Enforcement

Mark C. Eisenmann
Securities Examiner
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