

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: JT FINANCIAL ADVISERS, LLC, )  
ITS OFFICERS, DIRECTORS, ) File No. 0800435  
EMPLOYEES, AFFILIATES, SUCCESSORS, )  
AGENTS AND ASSIGNS, )  
AND THOMAS GEORGE TESAR )

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CONSENT ORDER

TO THE RESPONDENTS: JT Financial Advisers, LLC (CRD #124019)  
Thomas George Tesar (CRD #4604321)  
133 N. Parkway Drive  
Pekin, Illinois 61554

WHEREAS, JT Financial Advisers and Thomas George Tesar (the "Respondents") on May 14, 2009, executed a certain Stipulation To Enter Consent Order (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, the Respondents have admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing in this matter and the Respondent has 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 Respondents have acknowledged that the allegations contained in paragraph seven (7) of the Stipulation shall be adopted as the Secretary of State's Findings of Fact as follows:

1. That the Respondent JT Financial Advisers, LLC (hereinafter, "JT Financial") is a registered investment adviser with a last known address of 133 N. Parkway Drive, Pekin, Illinois 61554;
2. That, at all times relevant the Respondent Thomas George Tesar was an investment adviser representative and managing member of JT Financial;

Consent Order

-2-

3. That on or about April 25, 2005, an audit of Respondents was performed by Herb Clausen ("Clausen") and Jim Schneider ("Schneider"), both employees of the Illinois Secretary of State, Securities Department ("Department");
4. That as a result of the aforementioned audit, the following deficiencies were found:
  - a.) Multiple client files had incomplete or no suitability information, annual income information, net worth information, or investment objectives as well as missing account statements;
  - b.) Multiple client files had no signed and dated investment adviser contracts as required pursuant to Section 130.845 of the Securities Department's Rules and Regulations ("Rules");
  - c.) Respondents failed to provide clients with written disclosure statement as required pursuant to Section 130.856 of the Rules;
  - d.) Respondents failed to provide clients with current and timely billing statements for services rendered;
5. That on or about May 13, 2005, the Department sent Respondents a deficiency letter outlining the above referenced deficiencies;
6. That on or about July 14, 2005, Respondents sent a letter to the Department advising that Respondents had received and reviewed the aforesaid deficiency letter and are in the process of implementing the changes needed to bring Respondents in full compliance with the Act;
7. That on or about June 25-26, 2008, an audit of Respondents was performed by Ray Dewitt ("Dewitt") and Susan LaRussa ("LaRussa"), both employees of the Illinois Secretary of State, Securities Department ("Department");
8. During this June 25-26, 2008, audit, it was determined that multiple deficiencies found during the April 25, 2005, audit and cited in the May 13, 2005, deficiency letter still existed and were not remedied or cured by the Respondents as follows:

Consent Order

-3-

- a.) Multiple client files previously examined during the 2005 audit still had incomplete or no suitability information, annual income information, net worth information, or investment objectives;
  - b.) Multiple client files still had no signed and dated investment adviser contracts;
  - c.) The aforementioned disclosure documents were still not being provided to clients;
  - d.) Billing statements were still incomplete and did not include itemized time and billing amounts; furthermore, multiple clients were being billed 3-5 years after services were rendered;
9. That records and disclosures contained in Paragraph h of the Stipulation and Paragraph 8 of this Consent Order are required records and disclosures for investment advisers and investment adviser representatives in the State of Illinois;
  10. That Section 8.E.1(q) of the Act states, inter alia, that subject to the provisions of subsection F of Section 11 of the Act, the registration of an investment adviser and/or investment adviser representative may be suspended or revoked if the Secretary of State finds that the investment adviser and/or investment adviser representative has failed to maintain the books and records required under this Act or rules or regulations promulgated under this Act within a reasonable time after receiving notice of any deficiency;
  11. That Section 11.E(4) of the Act provides, inter alia, that if the Secretary of State, after finding that any provision of the Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000.00 for each violation of the Act, as well as the costs of investigation and reasonable expenses;
  12. That by virtue of the foregoing, the Respondents are subject to the entry of an Order which revokes their investment adviser and investment adviser representative registrations in the State of Illinois pursuant to the authority provided under Section 8.E.(1)(q) of the Act as well as a fine in the amount of \$10,000.00 per violation.

Consent Order

-4-

WHEREAS, the Respondents have acknowledged and agree to comply with the undertakings contained in paragraph eight (8) of the Stipulation as follows:

1. The Respondents will maintain current and complete suitability records on all active clients;
2. The Respondent will maintain a signed investor agreement for each client;
3. The Respondent will, on an annual basis, maintain a copy of a list of clients that requested a copy of the Offer of Disclosure; Respondent will submit a copy of said list to the Department within 30 days of the entry of this Consent Order; Furthermore, Respondent will subsequently submit an updated copy of said list to the Department on an annual basis during and prior to the end of the 12<sup>th</sup> month and the 24<sup>th</sup> month following the date of the entry of this Consent Order;
4. The Respondent will, on an annual basis, maintain a copy of a list of clients to which a Privacy Policy was sent; Respondent will submit a copy of said list to the Department within 30 days of the entry of this Consent Order and every 12 months thereafter; Furthermore, Respondent will subsequently submit an updated copy of said list to the Department on an annual basis during and prior to the end of the 12<sup>th</sup> month and the 24<sup>th</sup> month following the date of the entry of this Consent Order;
5. The Respondent will maintain billing statements which include itemized time, billing amounts and account numbers;
6. The Respondent will maintain a billing schedule which will be done on a quarterly or annual basis established by the Hourly Investment Adviser Agreement and the Percent of Assets Investment Adviser Agreement;
7. The Respondent will establish and maintain written compliance procedures; Respondent will submit a copy of said compliance procedures within 90 days of the entry of this Consent Order;

WHEREAS, The Respondents acknowledge and agree that within 180 days of the entry of this Consent Order, the Respondents will submit a sworn statement to the Illinois Securities Department signed by Thomas George Tesar that certifies that Respondents

Consent Order

-5-


have taken action to insure that the aforementioned undertakings have been accomplished and that the aforementioned deficiencies have been corrected, as well as a statement which describes the steps that Respondents have taken in this regard;

WHEREAS, the Respondents acknowledge and agree that within 30 days of the entry of this Consent Order, Respondents shall pay an administrative fine in the amount of \$7,000 to the Illinois Secretary of State, and that such payment will be made by money order or cashier's check payable to the Illinois Secretary of State;

NOW THEREFORE IT IS HEREBY ORDERED THAT:

1. Within 180 days of the entry of this Consent Order, the Respondents shall submit a sworn statement to the Illinois Securities Department signed by Thomas George Tesar that certifies that Respondents have taken action to insure that the aforementioned undertakings have been accomplished and that the aforementioned deficiencies have been corrected, as well as a statement which describes the steps that Respondents have taken in this regard;
2. The Respondents shall comply with the undertakings contained in paragraph eight ~~(8)~~ of the Stipulation previously described above;
2. Within 30 days of the entry of this Consent Order, Respondents shall pay an administrative fine in the amount of \$7,000 to the Illinois Secretary of State, and that such payment will be made by money order or cashier's check payable to the Illinois Secretary of State;
3. The formal hearing scheduled on this matter is hereby dismissed without further proceeding.

ENTERED: This 15<sup>th</sup> day of May, 2009.

  
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JESSE WHITE  
Secretary of State  
State of Illinois

Consent Order

-6-

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] (the "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.

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Hearing Officer:  
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