

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 82010 / November 3, 2017

INVESTMENT ADVISERS ACT OF 1940
Release No. 4806 / November 3, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18274

In the Matter of

JAMES P. KOLF,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against James P. Kolf (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, admits the findings contained in paragraph III.2 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Exchange Act and Section 203(f) of the Advisers Act, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Kolf was a Wisconsin-licensed broker-dealer agent and investment adviser representative, and was associated with several SEC-registered broker-dealers and investment advisers from January 2009 through August 2016. Beginning in approximately May 2011, Kolf did business as SFN Financial Network LLC (“SFN Financial”), a fictitious company which was never organized or incorporated as a limited liability company, corporation, partnership, or other business entity. Kolf, 65 years old, is a resident of Sauk City, Wisconsin.

2. On December 19, 2016, the Administrator of the State of Wisconsin, Department of Financial Institutions, Division of Securities issued a Consent Order in the Matter of James P. Kolf, Respondent, DFI Case No. S-235446 (EX) (the “Wisconsin Order”). The Wisconsin Order ordered Kolf to cease and desist from offering or selling unregistered securities in Wisconsin and permanently revoked Kolf’s state registrations as a broker-dealer agent and investment adviser representative.

3. The Wisconsin Order found that between May 2011 and February 2016, Kolf solicited his existing brokerage customers to invest in SFN Financial, a fictitious company, by promising returns of six to eight percent annually. Kolf told investors that SFN Financial would make investments in energy companies. Approximately fourteen of Kolf’s brokerage customers liquidated their existing investments and invested a total of \$905,077 in SFN Financial. The Wisconsin Order further found that Kolf did not use investor funds as promised, but instead spent them on himself. Kolf used investor funds to, among other things, purchase a house for \$280,534, pay credit card debt of \$74,298, and pay \$152,640 to the US Treasury Department to resolve an outstanding tax liability. He also made Ponzi-like payments to investors totaling \$47,572. Kolf provided investors with falsified account statements. The Wisconsin Order concluded that Kolf violated Wisconsin securities laws prohibiting misstatements, misleading omissions, and schemes that operate as a fraud or deceit in connection with the offer, purchase, and sale of securities, Wisconsin Uniform Securities Law Sections 551.501(2) and 551.501(3).

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Kolf’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Kolf be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary