

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76465 / November 17, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4272 / November 17, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16905

In the Matter of

Kelly C. Hood,

Respondent.

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

I.

On October 15, 2015, the Securities and Exchange Commission (“Commission”) deemed it appropriate and in the public interest that public administrative proceedings be 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 Kelly C. Hood (“Hood” or “Respondent”).

II.

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 her and the subject matter of these proceedings, and the findings contained in Section III(A)(1), (B)(3), and (B)(4) below, and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

III.

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

A. RESPONDENT

1. Hood was associated with PrimeSolutions Securities, Inc. ("PSSI") from March 2012 until May 2014. PSSI, based in Cleveland, Ohio, has been registered with the Commission as a broker-dealer since 1999 and is registered with several states as an investment adviser.

B. RESPONDENT'S CRIMINAL CONVICTION

1. On May 29, 2014, the Commission filed a Complaint in the United States District Court for the Northern District of Ohio ("Court"), in SEC v. Abdallah et al, 14-cv-1155 (Docket No. 1).

2. The Commission's Complaint alleged that from at least October 2012 through May 2014, Jerry A. Cicolani, Jr. ("Cicolani") and others solicited investors to invest in KGTA Petroleum, Ltd., purportedly a petroleum company that earned profits by buying and reselling crude oil and refined fuel products. The Complaint alleged the KGTA oil business was a sham and a Ponzi scheme. Cicolani, in particular, was alleged to have recklessly offered and sold interests in KGTA despite glaring red flags that KGTA was a scam. Cicolani was also alleged to have hidden from investors that he was being paid commissions of over \$4 million. The Commission further alleged that Cicolani did not disclose these investments or his KGTA sales activity to his employer, PSSI, and that his KGTA commissions were hidden by routing the funds through undisclosed entities controlled by Cicolani and Hood. The Complaint alleged these commissions were taken from investor funds in the KGTA Ponzi scheme. Cicolani was also alleged to have violated the registration provisions of the Securities Act of 1933. The Complaint named Hood as a relief defendant for her receipt of these commissions.

3. On May 4, 2015, Cicolani pleaded guilty to two criminal counts: sale of unregistered securities [15 U.S.C. §§ 77e(a) and 77e(c)] and structuring [31 U.S.C. §§ 5324(a)(1) and (3)]. U.S. v. Cicolani, 15-cr-142 (N.D. Oh.). The criminal information filed against Cicolani on April 14, 2015 stated that the unregistered securities sold by Cicolani were private investments in KGTA Petroleum, Ltd. Docket No. 1. The information also stated that the funds Cicolani withdrew in violation of the structuring statute constituted commission fees paid to entities owned by Cicolani and Hood from KGTA. Cicolani and Hood withdrew these funds after they each received a subpoena from the Commission requesting information about, among other things, payments received from KGTA. The allegations in this criminal case are based on substantially the same conduct as the SEC's Complaint.

4. On May 4, 2015, Hood pleaded guilty to one count of structuring [31 U.S.C. §§ 5324(a)(1) and (3)]. U.S. v. Hood, 15-cr-143 (N.D. Oh.). The criminal information filed against Hood on April 14, 2015 stated that the funds Hood withdrew in violation of the structuring statute

constituted commission fees paid to entities owned by Cicolani and Hood from KGTA for their solicitation of investments into the offering. Docket No. 1. The allegations in this criminal case are based on substantially the same conduct as the SEC's Complaint.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent'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 Hood 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 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 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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary