

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90902 / January 11, 2021

INVESTMENT ADVISERS ACT OF 1940
Release No. 5666 / January 11, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20201

In the Matter of

KERRY L. HOFFMAN,

Respondent.

**CORRECTED 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 Kerry L. Hoffman (“Respondent” or “Hoffman”).

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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in paragraph III.2. below, which are admitted, Respondent consents to the entry of this 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 (“Order”), as set forth below.

III.

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

1. Hoffman, 61 years old, was formerly a resident of Chicago, Illinois, and is currently a resident of Evergreen, Colorado. From March 2015 through May 2018, Hoffman acted as a business and financial advisor to GT Media, Inc. (“GT Media”), a company that operated under the name “Joy of Mom” in Deerfield, Illinois. From February 2010 through September 2018, Hoffman also worked as a registered representative and an investment advisory representative in the Chicago, Illinois office of a broker-dealer and investment adviser (“Adviser A”) dually registered with the Commission.

2. On January 8, 2021, a final judgment was entered by consent against Hoffman, permanently enjoining him from future violations of Section 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”), Section 15(a) of the Exchange Act, and Section 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Thomas V. Conwell, et al., Civil Action Number 19-cv-4409, in the United States District Court for the Northern District of Illinois.

3. The Commission’s complaint alleged that between August 2015 and January 2018, Hoffman, without informing Adviser A, sold GT Media stock and promissory notes to his advisory clients outside of their accounts at Adviser A. The complaint also alleged that Hoffman received compensation from GT Media and made several short-term loans to GT Media when the company had run out of money. It further alleged that the loans were repaid to Hoffman using funds that the company received from one of Hoffman’s advisory clients. According to the complaint, Hoffman failed to inform his advisory clients of his significant conflicts of interest, including that he was compensated as an advisor to GT Media, he was receiving commissions on their investments in GT Media stock, and that he had loaned money to GT Media. The complaint also alleged that Hoffman acted as an unregistered broker.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Hoffman’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 Hoffman 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 with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission; and

Pursuant to Section 15(b)(6) of the Exchange Act, Respondent Hoffman, be, and hereby is 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,

with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

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, compliance with the Commission's Order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary