

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:)

Mark David Hurwitz (CRD#1549799),)

File Number: 1200057

Lynda M. Hurwitz.)

TEMPORARY ORDER OF PROHIBITION & SUSPENSION

TO THE RESPONDENTS: Mark David Hurwitz
(CRD# 1549799)
3215 Larkspur Drive
Crystal Lake, IL 60012

Lynda M. Hurwitz
3215 Larkspur Drive
Crystal Lake, IL 60012

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

**FRAUDULENTLY CONCEALING COMMISSION PAYMENTS FROM INVESTORS
IN INTERVEST FINANCIAL CORP.**

1. Respondent **Mark David Hurwitz** ("MH") is an individual with a last known address of 3215 Larkspur Drive, Crystal Lake, Illinois 60012.
2. At all relevant times, MH was registered with Assist Investment Management Company, Inc. ("Assist") as a securities salesperson and has been registered in this capacity since December of 1993.
3. Respondent **Lynda M. Hurwitz** ("LH") is the wife of MH and has a last known address of 3215 Larkspur Drive, Crystal Lake, Illinois 60012.
4. At least as early as February of 2006, MH began soliciting investments in a company called Intervest Financial Corp ("Intervest"). Intervest is a company with a last known address of 322 Gatesby Road, Riverside, IL 60546. The President of Intervest was William Kanatas ("Kanatas").

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5. In February of 2006, MH had informed one of his clients at Assist, Investor A, about an investment opportunity in Intervest. The investment was to pay approximately 12% interest every quarter.
6. MH and Kanatas both met with Investor A to discuss the Intervest investment. Neither MH nor Kanatas informed Investor A that MH was an "Accounting Manager" for Intervest.
7. Based on what MH and Kanatas told Investor A about the investment, Investor A invested \$500,000 in the Intervest investment.
8. While MH and Kanatas were soliciting investments in Intervest, LH was receiving compensation for "marketing work" for another entity controlled by Kanatas. Although LH was being compensated for such work, LH admits that she never did any work for that entity.
9. The payments to LH by Kanatas were intended to conceal commissions that were being paid to MH for sales of investments in Intervest, and LH was aware of this fact.
10. Neither MH nor Kanatas informed Investor A that LH was being compensated by Kanatas to disguise commission payments to MH for sales of investments in Intervest.
11. Just nine (9) months after making the investment in Intervest, Investor A stopped receiving the interest payments from Intervest. When she inquired about the payments, she was told by MH and/or Kanatas that the company was in bankruptcy and the investment was "gone".
12. The offer and sale of the investment in Intervest constitutes the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").
13. Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
14. Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
15. Section 12.I of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.

16. By virtue of the foregoing, MH violated Sections 12.F, 12.G & 12.I of the Act.
17. By virtue of the foregoing, LH violated Sections 12.F & 12.I of the Act.
18. Section 8.E(1)(b) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has engaged in any unethical practice in connection with any security, the offer or sale of securities or in any fraudulent business practice.
19. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has violated any of the provisions of this Act.
20. By virtue of the foregoing, MH's registration as a securities salesperson in the State of Illinois is subject to suspension or revocation pursuant to Sections 8.E(1)(b), and 8.E(1)(g), of the Act.

MAKING FALSE STATEMENTS TO THE SECRETARY OF STATE

21. Pursuant to the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act") and the Rules and Regulations promulgated under the Act, securities salespersons are required, through their broker-dealer, to file an application for registration with the Secretary of State by filing a U-4 form through the CRD system. The U-4 form must be amended within ten (10) business days when the salesperson experiences a change that renders any information contained in the initial application for registration inaccurate.
22. MH amended his U-4 form as an employee of Assist on August 15, 2003. On this U-4 form he answered the following question:

“Are you currently engaged in any other business either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise? (Please exclude non *investment-related* activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.) If YES, please provide the following details: the name of the other business, whether the business is *investment-related*, the address of the other business, the nature of the other business, your position, title, or relationship with the other business, the start date of your relationship, the approximate number of hours/month you devote to the other business, the number of hours you devote to the other business during securities trading hours, and briefly describe your duties relating to the other business.”
23. MH answered this question “No”, indicating that he was not involved in outside business activity.

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24. MH amended his U-4 eight times between August 15, 2003 and June 14, 2011.
25. MH never disclosed that he was an "Accounting Manager" of Interest on any of his U-4 filings between August 15, 2003 and June 14, 2011.
26. Additionally, MH never disclosed that he was offering or selling investments in Interest on any of his U-4 filings between August 15, 2003 and June 14, 2011.
27. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
28. Section 12.E of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to make or cause to be made in any application, report, or document filed under this Act or any rule or regulation made by the Secretary of State pursuant to this Act, any statement which was false or misleading with respect to any material fact.
29. By virtue of the foregoing, MH violated Sections 12.D and 12.E of the Act.
30. Section 8.E(1)(h) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that such salesperson or investment adviser representative has made any material misrepresentation to the Secretary of State in connection with any information deemed necessary by the Secretary of State to determine a salesperson's or investment adviser representative's business repute or qualifications.
31. Section 8.E(1)(g) of the Act provides, *inter alia*, that the registration of a salesperson or investment adviser representative may be suspended or revoked if the Secretary of State finds that the salesperson or investment adviser representative has violated any of the provisions of this Act.
32. By virtue of the foregoing, MH's registration as a securities salesperson in the State of Illinois is subject to suspension or revocation pursuant to Sections 8.E(1)(h) and 8.E(1)(g) of the Act.

PROHIBITION AND SUSPENSION

33. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, and temporarily suspend the registration of a salesperson or investment adviser representative without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

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34. The entry of this **Temporary Order** suspending the registration of **Respondent Mark David Hurwitz** as a salesperson in the State of Illinois, and prohibiting **Respondents Mark David Hurwitz** and **Lynda M. Hurwitz** from offering or selling securities in the State of Illinois, is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.
35. The aforementioned findings are based upon credible evidence.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act,

1. **Respondents Mark David Hurwitz** and **Lynda M. Hurwitz** are **TEMPORARILY PROHIBITED** from offering or selling securities in or from the State of Illinois for a maximum period of ninety (90) days; and
2. **Respondent Mark David Hurwitz's** registration as a securities salesperson in the State of Illinois is **TEMPORARILY SUSPENDED** for a maximum period of ninety (90) days.

NOTICE is hereby given that the Respondents may request a hearing on this matter by transmitting such request in writing to:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602

Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition & Suspension**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition and Suspension.

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FAILURE OF ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION AND SUSPENSION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION AND SUSPENSION FINAL.

Dated this 18th day of May 2012

A handwritten signature in black ink, appearing to read "Jesse White", written over a horizontal line.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602