

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF:)

KEVIN JAMES REED CRD #4730957)

and LAMBERT CLARK GROUP LLC CRD #144889)

FILE NO. C0800218

AMENDED NOTICE OF HEARING

You are hereby notified, in accordance with Sections 11.E and F of the Illinois Securities Law of 1953 [815 ILCS 5/11.E and F] ("Act") and 14 Ill. Adm. Code 130, subpart K, a public hearing will be held at the Secretary of State's office at 69 West Washington Street, Suite 1220, Chicago Illinois 60602, on the 1st day of July, 2011 at 10:00 a.m., or as soon thereafter as possible before Soula Spyropoulos, or such other hearing officer as the Secretary of State may designate.

At this hearing, the Illinois Securities Department of the Office of the Secretary of State shall seek entry of an order granting any or all of the following relief:

1. Revocation of the registration of Respondent Reed as an investment adviser representative, and the registration of Respondent Lambert Clark Group LLC, as an investment adviser, in accordance with Sections 8.E(1)(b), 8.E(1)(f), 11.F(1), and 12.H of the Illinois Securities Law, as amended ("Act"). 815 ILCS 5/11.E(1)(b); 8.E(1)(e); 11.F(1); and 12.H.
2. Prohibition of the Respondents from offering or selling securities in or from the State of Illinois, in accordance with Sections 11.E(2) and 12.H of the Act.

The grounds for this proposed action are as follows:

FACTS COMMON TO ALL COUNTS

1. Respondent Kevin James Reed (collectively with Respondent Lambert Clark Group LLC, "Respondents") is an individual whose residential address is 1908 Cromwell Drive, Wheaton, Illinois 60187.

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2. Respondent Lambert Clark Group, LLC (collectively with Respondent Reed, "Respondents") is an Illinois business entity organized as a limited liability company. The company's place of business is at the following address: 2S676 State Route 59, Unit #2, Warrenville, Illinois 60555.
3. Customer A is or was an institutional client of Lambert Clark Group, LLC.
4. Clearing Firm C is a New Jersey business entity organized as a limited liability company. Clearing Firm C works with the exchanges to handle confirmation, delivery and settlement of transactions.
5. On or about a certain date in January 2008, Customer A contacted Respondent Reed at Lambert Clark Group, LLC ("Lambert Clark"), located in Warrenville Illinois. Customer A told Respondent Reed he wished to become an investment advisory client of Respondent Lambert Clark. The Respondents agreed to accept Customer A as a client, and opened an account for Customer A at Clearing Firm C..

COUNT 1

Circulating Securities Document Known To Contain False Representation

Violations by Respondents Reed and Lambert Clark

6. On a certain date in the winter or spring of 2008, Customer A sent promissory notes to Clearing Firm C for deposit.
7. Clearing Firm C declined to accept Customer A's deposit of the promissory notes, and forwarded them to Respondents.
8. Respondent Reed created an account statement for Customer A that appeared to have been generated by Clearing Firm C, in that it displayed Clearing Firm C's logo.
9. The promissory notes Customer A gave the Respondents were securities, as the term, "security" is defined in Section 2.1 of the Act.
10. On information and belief, Respondents Reed and Lambert Clark knew or should have known that the representations of portfolio value in the account statement they created were unverified and not authorized by Clearing Firm C, at the time it was provided to Customer A.

11. From December 2007 (date of articles of organization) through at least as late as April 2008 ("this period"), Respondent Reed was:

Designated by Respondent Lambert Clark to the State of Illinois as a principal of Lambert Clark and in this position was responsible for management of the daily business operations of Respondent in Illinois, in accordance with Section 2.12a of the Act.
12. Because of Respondent Lambert Clark's relationship with Respondent Reed during this period as investment adviser representative, Respondent Lambert Clark knew the facts alleged in this Notice.
13. Section 12.H of the Act provides it is a violation of Act to sign or circulate any document required by any provision of the Act or pertaining to any security, knowing or having reasonable grounds to know any material representation contained in the document to be false or untrue.
14. Respondents Reed and Lambert Clark knew, or had reasonable grounds to know, that material representations in the account statement they created were false, thereby violating Section 12.H of the Act.
15. Section 11.E(2) of the Act provides, *inter alia*, that if the Secretary of State shall find that any person has violated subsection C, D, E, F, G, H, I, J, or K of Section 12 of this Act, the Secretary of State may by written order temporarily or permanently prohibit or suspend the person from offering or selling any securities in this State.

COUNT 2

Unethical Securities Practices and Fraudulent Business Practices

Conduct by Respondents Reed and Lambert Clark

16. Section 8.E(1)(b) of the Act provides that the registrations of investment advisers and investment adviser representatives may be suspended or revoked if the Secretary of State finds they have engaged in any unethical practice in connection with any security, the offer or sale of securities or in any fraudulent business practice.
17. Respondents engaged in unethical securities practices and fraudulent business practices when they created a false account statement.

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18. The investment adviser representative registration of Respondent Reed and the investment adviser registration of Respondent Lambert Clark are subject to suspension or revocation under Section 8.E(1)(b) of the Act because they engaged in an unethical practice in connection with a security and because they engaged in fraudulent business practice.

COUNT 3

Failure To Supervise

19. Section 8.E(1)(f) of the Act provides that the registration of an investment adviser may be suspended or revoked if the Secretary of State finds the adviser has failed reasonably to supervise the advisory activities of any of its investment adviser representatives or employees and the failure has permitted or facilitated a violation of Section 12 of the Act.
20. Respondent Lambert Clark, acting through its principal Respondent Reed, failed to supervise the advisory activities of investment adviser representative Respondent Reed.
21. The investment adviser registration of Respondent Lambert Clark is subject to revocation under Section 8.E(1)(f) of the Act because of their failure to reasonably supervise the advisory activities of Respondent Reed.

YOU ARE FURTHER NOTIFIED that you are required to file an answer to the allegations outlined above or other responsive pleading within ten days of service of this notice on you, in accordance with Section 130.1104(a) of the Rules and Regulations under the Illinois Securities Law ("Rules"). Your failure to do so within the prescribed time shall be construed as an admission of the allegations contained in this notice and waives your right to a hearing. Upon such failure, the hearing officer shall make a recommendation that an appropriate order be centered, including finding you in default. The answer and all other pleadings and motions must be filed with the Illinois Securities Department by addressing them to:

Samuel F. Freiman
Enforcement Attorney
Illinois Securities Department
Office of Secretary of State
69 West Washington Street, Suite 1220
Chicago Illinois 60602


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You may appear personally on your own behalf, or be represented by an attorney. You or your attorney may present evidence; cross-examine witnesses; and otherwise participate in this proceeding. A failure to appear shall constitute default by you.

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at <http://www.ilga.gov/commission/jcar/admincode/014/01400130sections.html>, or via US Mail upon request.

Entered: This 21st day of June, 2011.

A handwritten signature in black ink that reads "Jesse White" followed by a stylized monogram "JW". The signature is written over a horizontal line.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for Secretary of State:
Samuel F. Freiman
Enforcement Attorney
Illinois Securities Department
Office of Secretary of State
69 West Washington Street, Suite 1220
Chicago Illinois 60602
Telephone: 312.793.2960