

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF: LAMBERT CLARK GROUP L.L.C., ITS )  
Officers, Directors, Employees, Partners, Successors, Agents and ) File No. 0800218  
Assigns, and KEVIN JAMES REED, individually. )  
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**CONSENT ORDER OF PROHIBITION AND REVOCATION**

TO THE RESPONDENTS: Lambert Clark Group, L.L.C.  
2625 Butterfield Road, Suite 138 South  
Oak Brook, Illinois 60523

Lambert Clark Group, L.L.C.  
c/o Incorp Services, Inc., R.A.  
2501 Chatham Road, Suite 110  
Springfield, Illinois 62704

Kevin James Reed  
1908 Cromwell drive  
Wheaton, Illinois 60187

WHEREAS, Lambert Clark Group, L.L.C., and Kevin James Reed, individually the 21st day of June, 2011, executed a certain Stipulation to Enter Consent Order of Prohibition, (the "Stipulation"), which hereby is incorporated by reference herein;

WHEREAS, by means of Stipulation acknowledges service upon it of the Amended Notice Of Hearing of Petitioner Secretary of State, Securities Department dated June 21, 2011 (the "Notice");

WHEREAS, by means of the Stipulation, the Respondents acknowledged, while neither admitting nor denying the allegations thereof that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

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.
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.

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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.
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. 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.

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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.
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.
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.
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 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)(f) of the Act because its failure to reasonably supervise the advisory activities of Respondent Reed.

WHEREAS, by means of the Stipulation Respondents have agreed without admitting or denying the averments that the following shall be the Secretary of State's Conclusions of Law;

1. Respondents violated Section 12.H and Section 12.D of the Act.

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2. Respondents are subject to a permanent order prohibiting them from offering or selling any securities in this State, pursuant to Sections 12.H and 11.E(2) of the Act.
3. Respondent Kevin Reed's registration as Investment Adviser Representative is subject to revocation, pursuant to Section 8.E(1)(b) of the Act.
4. Respondent Lambert Clark's registration as Investment Adviser is subject to revocation, pursuant to Sections 8.E(1)(b) and 8.E(1)(f) of the Act.

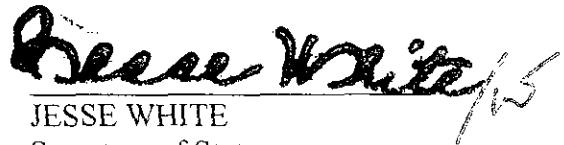
WHEREAS, by means of the Stipulation, Respondents acknowledge that they desire to enter into a Consent Order.

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

The registrations of Respondents **Lambert Clark Group, L.L.C.**, as Investment Adviser and **Kevin James Reed**, as Investment Adviser Representative, in the State of Illinois, are hereby **REVOKED**; and

Respondents, **Lambert Clark Group, L.L.C.**, and **Kevin James Reed**, shall be and are permanently **PROHIBITED** from offering or selling securities in or from the State of Illinois.

Dated: This 21<sup>st</sup> day of June, 2011

  
JESSE WHITE  
Secretary of State  
State of Illinois

Samuel F. Freiman  
Illinois Securities Department  
69 West Washington Avenue, Suite 1220  
Chicago, Illinois 60602  
312-793-3988