

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

IN THE MATTER OF: STEVEN R. LEWIT

FILE NO. 0700555

TO THE RESPONDENT: STEVEN R. LEWIT
C/O Andrew Pillsbury, Esq.
Erin Krejci, Esq.
Kelly Drye & Warren, LLP
333 W. Wacker Dr., 26th Floor
Chicago, IL 60606

CONSENT ORDER OF DISMISSAL

WHEREAS, on May 7, 2008, a Notice of Hearing was filed against Steven R. Lewit.

WHEREAS, Steven R. Lewit on May 28, 2009, executed a Stipulation to Enter Consent Order which is incorporated by reference herein.

WHEREAS, Steven R. Lewit has admitted to the jurisdiction of the Secretary of State in this matter and has consented to the entry of this Consent Order ("Consent Order").

WHEREAS, Steven R. Lewit acknowledges, without admitting or denying the truth thereof, that the following allegations shall be adopted as the Secretary of State's Findings of Fact:

1. That Steven R. Lewit, ("Lewit") is an individual residing at 2371 Legends Ct., Riverwoods, Illinois 60015
2. Lewit was a salesperson representative for KCD Financial, Inc. ("KCD") a registered broker-dealer and Investment Advisor, from August, 2006 through March, 2008.
3. Lewit was registered as a salesperson representative with the State of Illinois until March, 2008.
4. On May 7, 2008, the Department issued a Notice of Hearing (the "Notice") alleging violations of the Illinois Securities Law of 1953.
5. A subsequent audit (the "Audit") of Lewit's business as a salesperson during the time he was associated with KCD was performed.

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6. The Audit identified seven transactions involving exchanges or purchases of variable, fixed and equity indexed annuities, in which Lewit did not submit all of the formal documentation required by KCD's internal compliance policies and procedures ("Annuity Documentation").
7. The purpose of the KCD internal compliance policies requiring the submission of the formal documentation regarding the exchanges of the aforementioned products is to assure that KCD is aware of the activities of its representatives and provides an additional layer of suitability review of its representative's investment recommendations to his or her clients.
8. The failure of a representative to fully comply with his or her firm's internal compliance policies implicates Section 8 E (m) of the Act, and may subject that representative to have his or her registration as a salesperson of securities in Illinois to be denied, suspended or revoked.

WHEREAS, Steven R. Lewit has voluntarily not performed the business of a salesperson of securities since March of 2008.

WHEREAS, Steven R. Lewit agreed to provide the required Annuity Documentation to each of the seven customers identified in the Audit. Each customer will then be allowed fifteen days from receipt of the Annuity Documentation to affirm the transaction or cause Lewit to use commercially reasonable efforts to cause the applicable issuer to rescind the transaction, as more fully detailed in "Addendum A" attached herewith. (the "Undertakings").

WHEREAS, Steven R. Lewit agreed to notify any brokerage or advisory firm which he associates with, that, pursuant to this Consent Order, he must be subject to additional supervision with respect to documentation related to 1035 exchanges involving annuity products, until May 1, 2010.

WHEREAS, Steven R. Lewit has volunteered to refrain from submitting his application as a Salesperson of Securities until July 1, 2009, the anticipated time to complete the Undertakings.

WHEREAS Steven R. Lewit acknowledges, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusions of Law:

- 1) Steven R. Lewit did not fully comply with KCD's compliance policies and procedures as they relate to submitting complete documentation relative to eight transactions involving annuity exchanges or purchases, subjecting his registration as a Salesperson of Securities to denial, suspension or revocation pursuant to Section 8 E. (m) of the Act.

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WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that this matter may be DISMISSED without further proceedings and that this Consent Order constitutes a final resolution of any administrative action based upon the allegations put forth in the Notice of Hearing as well as the above Findings of Fact, subject to Section 12.D of the Act.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

- 1) Steven R. Lewit has volunteered to refrain from submitting his application as a salesperson of securities until July 1, 2009, the anticipated time for him to complete the Undertakings.
- 2) Steven R. Lewit shall be under additional supervision with respect to documentation related to 1035 exchanges involving annuity products by any brokerage or investment advisory firm that he associates with, until May 1, 2010.
- 3) Steven R. Lewit shall pay, within thirty days of entry of this Order Seven Hundred and Fifty dollars for the costs of the Department's investigation, payable by certified or cashier's check to the Illinois Secretary of State, Audit and Enforcement Fund.
- 4) The formal hearing, as it pertains to Steven R. Lewit, identified as Illinois Securities Department Case Number 0700555 is hereby DISMISSED without further proceedings.

ENTERED: This 8th day of June, 2009.

Attorney for the Department:
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Chicago, IL
JChronopoulos@ILSOS.net



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the ACT. Any person or entity that fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of this Order, shall be guilty of a Class 4 felony for each offense.

This is a final order subject to administrative review pursuant to the Administrative Review Law (735 ILCS 5/3-101 et seq.) and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1 Sec. 130:1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.