

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

IN THE MATTER OF:

ROSS LEVITT, and) **No. 1300454**
his partners, officers and directors, agents,)
employees, affiliates, successors and assigns.)
_____)

ORDER OF PROHIBITION

**TO RESPONDENT: Ross Levitt
10 S 141 Wileden Lane
Naperville, Illinois 60564**

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State on July 21, 2014 which prohibited Ross Levitt, his partners, officers and directors, agents, employees, affiliates, successors and assigns from offering or selling securities in or from the State of Illinois until further order of the Secretary of State or his duly authorized representative;

WHEREAS, pursuant to section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of the Temporary Order shall constitute an admission of any acts alleged therein and constitute a sufficient basis to make the Temporary Order final;

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the Temporary Order;

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the Temporary Order as the Secretary of State's Findings of Fact as follows:

1. Respondent Ross Levitt (at times hereinafter "Levitt" or "Respondent") had at all times relevant herein a last known address of 10 S 141 Wileden Lane, Naperville, Illinois 60564.
2. Between 2002 and 2011, Levitt solicited at least four (4) Illinois residents ("Investor #1", "Investor #2", "Investor #3" and "Investor #4" or collectively "Investors") to invest money in contracts with Levitt whereby Levitt promised to use the invested funds to: a) engage in commodities trading in Chicago and to

pay interest and to return principal to the Investors, and/or b) purchase a commodities trading "seat" in Chicago which would then be resold for profit - a portion of which would be paid to Investors together with a return of principal.

3. All four Investors placed various amounts of investment money with Levitt under the terms of contract set forth below.

INVESTOR #1

4. In 2004, after being solicited by Levitt, Investor #1 invested a total of \$125,000 with Levitt (in 2006 \$10,000 was returned to Investor #1) under an agreement ("Agreement #1") in which Levitt promised to use the funds to purchase commodity trading seat(s) and make monthly interest payments to Investor #1 at 15% per annum, and to return all principal to Investor #1 on demand.
5. Between 2004 and December 2010, Levitt paid Investor #1 according to the terms of Agreement #1, but failed to make his payments in January 2011 and thereafter.
6. In 2011, Investor #1 demanded the return of all \$115,000 principal from Agreement #1, but Levitt has failed to comply.

INVESTOR #2

7. In approximately 2002, after being solicited by Levitt, Investor #2 invested \$21,000 with Levitt under an agreement ("Agreement #2") in which Levitt promised to use the funds to engage in trading at the Chicago Board of Trade, and to make monthly interest payments to Investor #2 at 15%-20% per annum, and to return all principal to Investor #2 on demand.
8. Between 2002 and April 2010, Levitt paid Investor #2 according to the terms of Agreement #2, but failed to make his payments later in 2010 and thereafter.
9. In 2011, Investor #2 demanded the return of all \$21,000 principal from Agreement #2, but Levitt has failed to comply.
10. In October 2010, after being solicited by Levitt, Investor #2 invested an additional \$3,000 with Levitt under an agreement ("Agreement #3") in which Levitt promised to use the funds to purchase a seat at the Chicago Board of Trade, and to return all \$3,000 principal to Investor #2 "within three months" and to pay interest to Investor #2 (rate undisclosed).
11. In 2011, Investor #2 demanded the return of all \$3,000 principal from Agreement #3, but Levitt has failed to comply.

INVESTOR #3

12. In September 2010, after being solicited by Levitt, Investor #3 invested \$7,000 with Levitt under an agreement ("Agreement #4") in which Levitt promised to invest the funds in the Chicago Board of Trade, and, in one month, to repay Investor #3 the entire principal plus 15% -20% interest.
13. In late 2010, Investor #3 demanded the return of all \$7,000 principal plus 15%-20% interest from Agreement #4, but Levitt has failed to comply.
14. In October 2010, after being solicited by Levitt, Investor #3 invested an additional \$50,000 with Levitt under an agreement ("Agreement #5") in which Levitt promised to use the funds (with other investor funds) to purchase a seat at the Chicago Board of Trade, and to sell the seat "within three months" to repay Investor #3 the entire \$50,000 principal plus 15% -20% interest.
15. In 2011, Investor #3 demanded the return of all \$50,000 principal plus 15%-20% interest from Agreement #5, but Levitt has failed to comply.

INVESTOR #4

16. In May 2004, after being solicited by Levitt, Investor #4 invested \$50,000 with Levitt under an agreement ("Agreement #6") in which Levitt promised to repay Investor #4 the entire principal on demand plus \$625 per month interest.
17. In 2011, Investor #4 demanded the return of all \$50,000 principal from Agreement #6, but Levitt has failed to comply.
18. In October 2007, after being solicited by Levitt, Investor #4 invested an additional \$75,000 with Levitt under an agreement ("Agreement #7") in which Levitt promised to make monthly interest payments to Investor #4 at 15% per annum (raising the total monthly payment from Agreements #6 & #7 to \$1562), and to return all principal to Investor #4 on demand.
19. In 2011, Investor #4 demanded the return of all \$75,000 principal from Agreement #7, but Levitt has failed to comply.
20. Between May 2010 and June 2010, after being solicited by Levitt, Investor #4 invested an additional \$100,000 with Levitt under an agreement ("Agreement #8") in which Levitt promised to use the funds to purchase a seat (or seats) at the Chicago Board of Trade, and to make monthly interest payments to Investor #4 at 15% per annum (raising the total monthly payment from Agreements #6, #7 and #8 to \$2500), and to return all principal to Investor #4 on demand.
21. Between 2004 and December 2010, Levitt paid Investor #4 according to the terms of Agreements #6, #7 and #8 but failed to make his monthly payments in February 2011 and thereafter.

22. In 2011 Investor #4 demanded the return of all \$100,000 principal from Agreement #8, but Levitt has failed to comply
23. The activities described above in paragraphs 2-22 constitute investment contracts, or certificates of interest, or participation in profit sharing agreements, and are therefore securities as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").

FAILURE TO REGISTER SECURITIES

24. Section 5 of the Act provides, *inter alia* that all securities except those exempt under Section 3 or those offered and sold under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
25. Respondent failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and that as a result the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
26. Section 12.A of the Act provides *inter alia* that it shall be a violation for any person to offer and sell any security except in accordance with the provisions of the Act.
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. By virtue of the foregoing Respondent has violated Sections 12.A and 12.D of the Act.

FRAUD IN SALE OF SECURITIES

29. Respondent failed to pay Investors the principal or interest as promised in the investment contracts, or certificates of interest, or participation in profit sharing agreements.
30. Respondent failed and refused to notify Investors of the substantial risk involved in the investment contracts, or certificates of interest, or participation in profit sharing agreements, that could result in the loss of investment money paid by the Investors.
31. Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the 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.

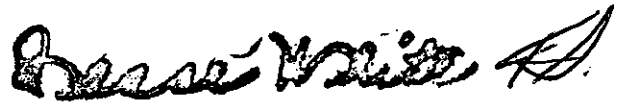
32. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
33. By virtue of the foregoing, Respondent violated Sections 12.F and 12.G of the Act and will violate them again if he makes further offers or any sales of securities in the State of Illinois.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent **Ross Levitt** and his partners, officers and directors, agents, employees, affiliates, successors and assigns, are **PROHIBITED** from rendering investment advice and from offering or selling securities in or from this State until the further Order of the Secretary of State.

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 offence.

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.

Dated: This 2nd day of September 2014.



JESSE WHITE
Secretary of State
State of Illinois

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