

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: STEVEN R. LEWIT & MARTY P. NEVEL) Case No. 0700555
)

NOTICE OF HEARING

TO RESPONDENTS: Steven R. Lewit
(CRD#3262075)
2371 Legends Ct.
Riverwoods, Illinois 60015

Marty P. Nevel.
300 Lexington Court
Schaumburg, IL 60173

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 69 West Washington Street, Suite 1220, Chicago, Illinois 60602, on the 29th day of July, 2008, at the hour of 10:00 a.m., or as soon as possible thereafter, before James L. Kopecky, Esq., or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order shall be entered which would prohibit Steven R. Lewit and Marty P. Nevel from engaging in the business of selling or offering for sale securities in the State of Illinois, and/or granting such other relief as may be authorized under the Act including but not limited to the imposition of a monetary fine in the maximum amount pursuant to Section 11.E of the Act, payable within ten (10) business days of the entry of the Order.

The grounds for such proposed action are as follows:

1. That Steven R. Lewit, ("Lewit", or together with Nevel "Respondents") is an individual whose last known address is 2371 Legends Ct., Riverwoods, Illinois 60015.
2. That at all relevant times, Lewit was registered as a salesperson with the State of Illinois until March 11, 2008.

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3. That Marty P. Nevel, ("Nevel", or together with Lewit "Respondents") is an individual whose last known address is 300 Lexington Court, Schaumburg, Illinois 60173.
4. That at all relevant times, Nevel was registered as an insurance agent with the State of Illinois.
5. That Jeffrey P. Hertel d/b/a Corporate Investment Advisors, ("Hertel") is an individual whose last known address is 3070 N. Hackett Avenue, Milwaukee, Wisconsin 53211
6. That during October 2007, Hertel, on the behest and behalf of Lewit and Nevel, sent by mail through the US Postal Service to at least 22 persons in Wisconsin a letter (the "Letter") about a "private investment opportunity offered by the Federal Reserve's Board of Governors," (the "Investment Program").
7. That the Letter stated: "...I have recently been informed of a private investment opportunity offered through the Federal Reserve Board of Governors. This program is private and by invitation only. The 'Fed' has conducted this program about four times a year for the past several years. My business associates' client (who happens to be a multi-billionaire) recently participated in this program. This person has a close connection with the Federal Reserve and is now instrumental in conducting the program. Since each participant can only do this *once*, (emphasis included) he has been asked to mentor another for the next program starting in January."
8. That the Letter further stated: "The program involves depositing a large amount of cash in a secure account at a major bank for a year, which earns a very high rate of return of 80-110%. Yes, 80-110%. The principal is never at risk of loss. The cash amount is to be \$150 to \$250 million U.S., as determined by the participant. The cash can be borrowed, but it cannot come directly from a financial institution (if borrowed, it is to be deposited in the investor's operating account and then put into this investment account). The program is only available to a privately-held company or a private individual (and not to a publically (sic) -traded company)..."
9. That the activities set forth in paragraphs 6 through 8 above constitute the offer and sale of an investment contract, and therefore a security as those terms are defined at Sec. 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 (815 ILCS 5) (the "Act").
10. That Hertel was recruited by Lewit and Nevel and was told he would be paid a commission for his sales of the Investment Program.
11. That at no time has the Board of Governors of the Federal Reserve System been involved with the Investment Program offered by Hertel to the persons in Wisconsin.

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12. That Section 12.A of the Act provides it shall be a violation of the provisions of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.
13. That Section 12.H of the Act provides, *inter alia*, that it shall be a violation of the provisions of this Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue,
14. That Hertel's representations regarding the Investment Program to the persons of Wisconsin, on the behest and behalf of Lewit and Nevel, are untrue statements of a material fact.
15. That by virtue of the foregoing, Respondents Lewit and Nevel have violated Sections 12.A and H of the Act.
16. That Section 11.E(2) of the Act provides, *inter alia*, if the Secretary of State shall find that any person has violated sub-section H of Section 12 of this Act, the Secretary of State may by written order permanently prohibit or suspend the person from offering or selling any securities, any mineral investment contract, or any mineral deferred delivery contract in this state, provided that any person who is the subject of an order of permanent prohibition may petition the Secretary of State for a hearing to present evidence of rehabilitation or change in circumstances justifying the amendment or termination of the order or permanent prohibition.
17. That by virtue of the foregoing violation of sub-section 12.H, Respondents Lewit and Nevel are subject to an order of permanent prohibition from offering or selling any securities in the this state pursuant to Section 11.F(2) of the Act.
18. That Section 11.E(4) of the Act provides, *inter alia*, that in addition to any other sanction or remedy contained in this subsection E, the Secretary of State, after finding that any provision of this Act has been violated, may impose a fine as provided by rule, regulation or order not to exceed \$10,000, for each violation of this Act, may issue an order of public censure against the violator, and may charge as costs of investigation all reasonable expenses, including attorney's fees and witness fees.
19. That by virtue of the foregoing, Respondents Lewit and Nevel are subject to a fine, censure and costs of investigation pursuant to Section 11.E(4) of the Act.
20. That Section 8.E(1)g of the Act provides, *inter alia*, that the registration of a salesperson may be revoked if the Secretary of State finds that the salesperson has violated any of the provisions of the Act.
21. That by virtue of the foregoing, Respondent Lewit's registration as a salesperson in the State of Illinois is subject to revocation.

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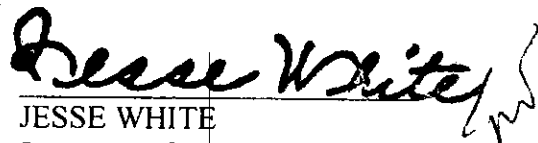
You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130) (the "Rules"), to file an answer to the allegations outlined above within thirty (30) days of the receipt of this notice. A failure to file an answer within the prescribed time shall be construed as an admission of the allegations contained in the Notice of Hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

A copy of the Rules, promulgated under the Act and pertaining to Hearings held by the Office of the Secretary of State, Securities Department, can be found at <http://www.cyberdriveillinois.com/departments/securities/lawrules.html> or available upon request.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 7th day of May 2008.



JESSE WHITE
Secretary of State
State of Illinois

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