UNITED STATES OF AMERICA before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 69832 / June 21, 2013

ADMINISTRATIVE PROCEEDING File No. 3-15362

In the Matter of : ORDER INSTITUTING ADMINISTRATIVE

PROCEEDINGS PURSUANT TO RULE

Michael J. Stewart, : 102(e) OF THE COMMISSION'S RULES OF

PRACTICE, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS

Respondent.

:

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Michael J. Stewart ("Stewart" or "Respondent") pursuant to Rule 102(e)(3)(i) of the Commission's Rules of Practice.¹

I.

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2 below, which are admitted, Respondent

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any attorney . . . who has been by name . . . permanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

¹ Rule 102(e)(3)(i) provides, in relevant part, that:

consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

- 1. Stewart, age 65, of San Clemente, California, is a principal of Apartments America, LLC ("Apartments America"). Stewart is and has been an attorney licensed to practice law in the State of California. Stewart does not hold any securities licenses and has never been registered with the Commission in any capacity.
- 2. On March 27, 2013, a judgment was entered against Stewart, permanently enjoining Stewart from future violations of Sections 5 and 17(a) of the Securities Act of 1933, and permanently enjoining Stewart or any entity he owns or controls from offering unregistered securities, in the civil action entitled *Securities and Exchange Commission v. Apartments America, LLC, et al.*, Civil Action Number SACV 12-754 DOC (ANx), in the United States District Court for the Central District of California.
- 3. The Commission's complaint alleged, among other things, that Stewart engaged in a scheme to defraud potential investors by offering Apartments America's unregistered securities, and making material misrepresentations and omissions regarding Apartments America and its principals to potential investors.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that Stewart is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Elizabeth M. Murphy Secretary