

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 74757 / April 17, 2015**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-16500**

**In the Matter of**

**Charles Duane Lewis,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Charles Duane Lewis (“Lewis” or “Respondent”).

**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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2 through III.5, below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Exchange Act of 1934, 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. Lewis, 59 years old, resides in La Mesa, California. From September 1999 through July 2010, Lewis was a registered representative of H.D. Vest Investment Securities, Inc., d/b/a H.D. Vest Investment Services ("H.D. Vest"), a broker-dealer registered with the Commission.

2. On November 3, 2010, Lewis pleaded guilty, in the Superior Court of the County of San Diego, California, and was convicted of theft from an elder, in violation of California Penal Code § 368(d), and fraudulent appropriation of funds, in violation of California Penal Code § 508, in a criminal action titled *The People of the State of California v. Charles Duane Lewis*, Court No. CE303319. On February 14, 2011, he was sentenced to three years of imprisonment and ordered to pay restitution in the amount of \$332,661.12.

3. The counts of the criminal information to which Lewis pleaded guilty alleged, *inter alia*, that, between December 2007 and May 2010, Lewis fraudulently appropriated, for his own personal use, funds in excess of \$950 from the account of an elderly H.D. Vest customer.

4. On April 29, 2013, Lewis pleaded guilty in the Superior Court of the County of San Diego, California and was convicted of fraudulent appropriation of funds, in violation of California Penal Code § 508, in a criminal action titled *The People of the State of California v. Charles Duane Lewis*, No. CE327099. As a result, Lewis was incarcerated from April 2013 through November 2013 and ordered to pay restitution in the amount of \$399,391.24.

5. The counts of the criminal information to which Lewis pleaded guilty alleged, *inter alia*, that, between October 2003 and May 2011, Lewis, acting as trustee, fraudulently appropriated, for his own personal use, funds in excess of \$950 from a family trust that was also an H.D. Vest customer.

6. On September 12, 2013, the Financial Industry Regulatory Authority ("FINRA") issued a consent order ("FINRA Order") in an administrative action entitled *Department of Enforcement v. Charles Duane Lewis*, Disciplinary Proceeding No. 2010023492301. The FINRA Order barred Lewis from associating with any FINRA member in any capacity.

7. The FINRA Order found that Lewis provided accounting and financial services through his company, Fletcher Hills Tax Service, to an H.D. Vest customer who was in her eighties during the time of the misconduct. FINRA alleged that, between December 2007 and May 2010, Lewis obtained a power of attorney over the H.D. Vest customer and wrote 61 checks from the customer's account to himself, Fletcher Hills Tax Service, and a friend for a combined total of \$550,495.74. In connection with the FINRA Order, Lewis consented, without admitting or denying FINRA's allegations, to the entry of findings that he violated NASD Rules 2330(a) and 2110 and FINRA Rules 2150 and 2010, which prohibit persons associated with a FINRA member from making an improper use of a customer's funds and require a person associated with a member

to observe high standards of commercial honor and just and equitable principles of trade when conducting business.

#### IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization and barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields  
Secretary