

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2779 / September 18, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13211

In the Matter of

Mark E. Lenowitz,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Mark E. Lenowitz (“Lenowitz” 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, 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.3 and 5 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, 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. Lenowitz, 45 years old, is a resident of Old Tappan, New Jersey.
2. In 2002, Lenowitz was associated with DSJ International Resources Ltd. (d/b/a Chelsey Capital) and, from 2003 through 2005, was associated with Q Capital Investment Partners, LP ("Q Capital"). Both Chelsey Capital and Q Capital were investment advisers.
3. On September 12, 2008, a final judgment was entered by consent against Lenowitz, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Guttenberg, et al., Civil Action No. 07 CV 1774, in the United States District Court for the Southern District of New York.
4. The Commission's complaint alleged that from 2002 through 2003, Lenowitz engaged in illegal insider trading by using material, nonpublic information concerning upcoming analyst recommendations by UBS Securities LLC ("UBS") to purchase and sell securities in his personal brokerage account and on behalf of Chelsey Capital.
5. On July 24, 2007, Lenowitz pled guilty to one count of conspiracy to commit securities fraud, in violation of Title 15, United States Code, Sections 78j(b) & 78ff, and Title 17, Code of Federal Regulations, Sections 240.10b-5 and 240.10b5-2, and one count of securities fraud, in violation of Title 17, Code of Federal Regulations, Sections 240.10b-5, before the United States District Court for the Southern District of New York, in United States v. Mark Lenowitz, Crim. Indictment No. 1:07-CR-146 (SHS).
6. The counts of the criminal indictment to which Lenowitz pled guilty alleged, inter alia, that Lenowitz illegally conspired with others to trade on material, nonpublic information obtained from UBS concerning upcoming analyst recommendations, and that Lenowitz illegally traded on material, nonpublic information obtained from UBS concerning upcoming analyst recommendations in his personal account.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Lenowitz be, and hereby is barred from association with any investment adviser.

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.

Florence E. Harmon
Acting Secretary