

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3140 / January 14, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14190

In the Matter of

EVELYN LITWOK,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING

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 Evelyn Litwok (“Respondent” or “Litwok”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Litwok was an unregistered investment adviser, from in or about June 1994, through, in or about, October 1997, residing and operating investment funds in East Hampton, New York. Litwok was the principal of several corporations, also unregistered investment advisers, through which she conducted her investment advisory business, including Kohn Investment Management, Inc., Kohn Capital Management, Inc.-33 and Kohn Investment Management II, Inc. From 1984 to March 1994, Litwok was associated with various broker-dealers as a registered

representative and held Series 7, Series 63 and Series 15 licenses. Litwok, 55 years old, is a resident of Marlborough, New Jersey.

B. RESPONDENT'S CRIMINAL CONVICTION

2. On February 26, 2009, a federal jury convicted Litwok of one count of mail fraud in violation of Title 18 United States Code, Sections 1341 and 1342, and three counts of tax evasion in violation of Title 26 United States Code, Section 7201, in the United States District Court for the Eastern District of New York (United States v. Evelyn Litwok, CR 02-00-427 (S-1)-01 (LDW)). On May 11, 2010, the District Court sentenced Litwok to a prison term of 24 months followed by five years of supervised release and ordered her to pay restitution in the amount of \$23,551.

3. The counts of the criminal information to which Litwok was convicted alleged, among other things, (1) that Litwok defrauded Vigilant Insurance Company, a subsidiary of Chubb Insurance Company ("Chubb"), and obtained money by means of materially false and fraudulent pretenses, representations and promises, as a result of her submission of an insurance claim to Chubb for reimbursement of lodging expenses; and (2) that Litwok knowingly and willfully attempted to evade income tax due and owing by her to the United States of America for the calendar years 1995, 1996, and 1997. The misconduct occurred during the period in which Litwok was associated with an investment adviser.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against her upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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