

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74122 / January 23, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16357

In the Matter of

STUART E. RAWITT,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AGAINST STUART E.
RAWITT 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Stuart E. Rawitt (“Respondent” or “Rawitt”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Stuart E. Rawitt is a resident of Los Angeles, California. On July 15, 2010, Rawitt entered into a consent judgment permanently barring him from violating Sections 5(a) and 5(c) of the Securities Act of 1933 and Section 15(a) of the Exchange Act. See SEC v. Rockwell Energy of Texas, LLC, et al., Case No. 4:09-cv-4080 (S.D. Texas). On October 27, 2010, the Commission instituted public administrative proceedings against Rawitt and accepted his settlement offer whereby he agreed to a bar from future association with any broker or dealer. See In the Matter of Stuart E. Rawitt, Admin. Proc. 3-14099 (Oct. 27, 2010). Rawitt is not registered with the Commission in any capacity.

B. ENTRY OF THE INJUNCTION AND RESPONDENT'S CRIMINAL CONVICTION

2. On November 20, 2014, a judgment was entered against Rawitt permanently enjoining him from future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 15(a)(1) and 15(b)(6)(B)(i) of the Exchange Act, in the civil action entitled Securities and Exchange Commission v. Samuel Braslau, et al., Case No. 2-14-cv-01290, in the United States District Court for the Central District of California.

3. The Commission's complaint alleged that, in connection with his sale of securities intended to fund the production of a motion picture, Rawitt repeatedly made material misrepresentations to investors regarding the production and distribution of the film project, projected rates of return on investment, and the purported tax benefits of investing in the film. The Commission's complaint also alleged that, while he was soliciting money from investors, Rawitt was not a registered broker or dealer, and was not associated with a registered broker or dealer. Further, the Commission's complaint alleged that at the time Rawitt sold securities, he was subject to the October 27, 2010 Commission order barring him from association with any registered broker or dealer.

4. On October 31, 2014, Rawitt pleaded guilty to one count of mail fraud in violation of Title 18, United States Code, Section 1341, before the United States District Court for the Central District of California in United States v. Samuel Braslau, et al., CR No. 14-44-RGK to settle the parallel criminal action brought against him for the same conduct that formed the basis for the Commission's civil action. As part of his plea agreement, Rawitt admitted to making "many, if not most, of" the false statements to investors that were alleged in the Commission's complaint.

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;

B. What, if any, remedial action is appropriate in the public interest against Rawitt pursuant to Section 15(b) of the Exchange 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 Rule 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 him 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 as provided for in the Commission's Rules of Practice.

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary