

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING) Order No.: S-10-451-12-FO01
Whether there has been a violation of the)
Securities Act of Washington by:) ENTRY OF FINDINGS OF FACT AND CONCLUSIONS
) OF LAW AND FINAL ORDER TO CEASE AND
Mitchell A. Steitz,) DESIST, DENY FUTURE REGISTRATIONS,
) IMPOSE FINES, AND RECOVER COSTS
Respondent.)

THE STATE OF WASHINGTON TO: Mitchell A. Steitz (CRD #4928430)

On July 26, 2011, the Securities Administrator of the state of Washington issued S-10-451-11-SC01 Statement of Charges and Notice of Intent to Enter an Order to Cease and Desist, Deny Future Registrations, Impose Fines, and Recover Costs, hereinafter referred to as the Statement of Charges.

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing" and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing," were served on Respondent, Mitchell A. Steitz, on April 10, 2012. The Notice of Opportunity for Hearing advised Respondent, Mitchell A. Steitz, that a written application for an administrative hearing on the Statement of Charges must be received within twenty days from the date of receipt of the notice. Respondent, Mitchell A. Steitz, failed to request an administrative hearing within twenty days of receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided, or otherwise.

The Securities Administrator therefore will adopt as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enter a final order against the Respondent to cease and desist from violations of the Securities Act and to impose the fine.

The Securities Administrator makes the following findings of fact and conclusion of law:

FINDINGS OF FACT

Respondent

1. Mitchell A. Steitz ("Steitz") is an individual currently residing in Florida. Steitz was a Washington resident at the time of the events described in this Final Order. Steitz is not currently registered with the Washington State Securities Division in any capacity. He was previously registered with the Washington State Securities Division as a securities salesperson for MML Investor Services, Inc. ("MML") from May 2010 through July 2010. He was

1 discharged from MML due to job abandonment. Prior to MML, Steitz was registered as a securities salesperson for
2 Northwestern Mutual Investment Services, LLC (“NMIS”) from August 2005 through March 2010. On May 12, 2011,
3 the Financial Industry Regulatory Authority (“FINRA”) permanently barred Steitz from association with any FINRA
4 member in any capacity, pursuant to FINRA Rule 9552(H). Steitz has a Central Registration Depository (“CRD”)
5 number of 4928430.

6 Nature of the Conduct

7 2. Around mid-January 2010, Steitz approached Customer A, a Washington resident, and told him about a great
8 investment opportunity that was only available to employees of NMIS. According to Steitz, this was a short-term, 6-
9 month investment that always paid great returns. He claimed that Customer A could expect a return in the range of
10 10% to 20%. Steitz told Customer A that he could invest up to \$8,000. Steitz failed to provide Customer A with any
11 other information, either verbal or written, regarding the investment.

12 3. Based on Steitz’s representations, Customer A decided to invest \$8,000. Customer A made this investment in
13 cash, as Steitz told him that was the only acceptable method of payment. Customer A did not receive any documents to
14 evidence the investment.

15 4. Approximately one week later, Steitz approached Customer A again. He told Customer A that there was an
16 opportunity to put additional funds into the investment. Customer A decided to invest an additional \$4,500. Steitz
17 again requested the funds in cash. Customer A did not receive any documents to evidence this additional investment.

18 5. Neither of these securities transactions was recorded on the regular books and records of NMIS. Steitz did not
19 obtain written authorizations from NMIS prior to effecting securities transactions not recorded on the firm’s books and
20 records.

21 6. Around mid-February 2010, Customer A asked Steitz to provide him with some documentation confirming the
22 investment. Steitz provided Customer A with a document entitled “Statement of Fin Rep Account,” dated February 25,
23 2010. Steitz claimed that this document evidenced Customer A’s \$12,500 investment. However, this document appears
24 to be similar to an account statement showing Steitz’s financial obligations to his branch office.

1 7. Customer A continued to question Steitz about the status of the investment. On or about April 19, 2010, at
2 Customer A's request, Steitz signed a document stating that he received \$12,500 from Customer A "that was to be
3 invested by [him] in a short-term fund with [NMIS] and was to be returned, along with any interested earned, within a
4 few months."

5 8. Shortly thereafter, Customer A contacted NMIS and inquired as to whether such an investment opportunity
6 was available to NMIS agents. NMIS informed Customer A that no such investment opportunity was available.

7 9. In a letter to Customer A dated June 29, 2010, Steitz indicated that he used Customer A's funds for "personal
8 reasons" and did not invest it. Steitz represented in the letter that he would return Customer A's funds, along with an
9 additional \$1,000. To date, Customer A has not received any payment from Steitz.

10 10. In September 2010, NMIS repaid Customer A \$12,500 in settlement of his complaint against Steitz.

11 Registration Status

12 11. Mitchell A. Steitz is not currently registered as a securities salesperson or broker-dealer in the State of
13 Washington. He was registered as a securities salesperson with the State of Washington during the relevant period.

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15 Based upon the above Findings of Fact, the following Conclusions of Law are made:

16 **CONCLUSIONS OF LAW**

17 1. The offer or sale of the investment described above constitutes the offer or sale of a security as defined in
18 RCW 21.20.005(10) and (12).

19 2. The offer or sale of said security violated RCW 21.20.140 because no registration for such offer or sale is on
20 file with the Securities Administrator.

21 3. The offer or sale of said security was made in violation of RCW 21.20.010 because, as set forth in the Findings
22 of Fact, Respondent Mitchell A. Steitz made misstatements of material facts and/or omitted to state material facts
23 necessary in order to make the statements made, in light of the circumstances under which they were made, not
24 misleading.

1 4. Respondent Mitchell A. Steitz failed to comply with NASD Conduct Rule 3040 by effecting securities
2 transactions not recorded on the regular books and records of the broker-dealer which he represented. Such conduct is
3 a dishonest or unethical practice as defined by WAC 460-22B-090(2) and WAC 460-22B-090(19), and is grounds for
4 denial of his future securities registration applications pursuant to RCW 21.20.110(1)(g).

5 5. Respondent Mitchell A. Steitz, as described above, in connection with the offer and sale of securities, made
6 untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in
7 light of the circumstances under which they were made, not misleading, in violation of RCW 21.20.010. Pursuant to
8 RCW 21.20.110(1)(b), such practice is an additional ground for denial of his future securities registration applications.

9 6. Respondent Mitchell A. Steitz, as described above, engaged in one or more dishonest or unethical practices in
10 the securities business, as defined by WAC 460-22B-090, by engaging in manipulative or deceptive practices. Such
11 practice is an additional ground for denial of his future securities registration applications pursuant to RCW
12 21.20.110(1)(g).

13 7. Respondent, Mitchell A. Steitz is the subject of an action entered by FINRA after notice and opportunity for
14 hearing, permanently barring him from association with any FINRA member in any capacity, which is an additional
15 ground for denial of his future securities registration applications pursuant to RCW 21.20.110(1)(e)(iii).

16 **FINAL ORDER**

17 Based upon the foregoing and finding it in the public interest:

18 IT IS HEREBY ORDERED that the Respondent, Mitchell A. Steitz, and his agents and employees each shall
19 cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.140, the section of
20 the Securities Act of Washington requiring registration.

21 IT IS FURTHER ORDERED that the Respondent, Mitchell A. Steitz, and his agents and employees each shall
22 cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act of Washington.

23 IT IS FURTHER ORDERED that any future securities registration applications of Respondent Mitchell A.
24 Steitz as a broker-dealer, securities salesperson, investment adviser representative, or investment adviser shall be
25 denied pursuant to RCW 21.20.110(1).

1 IT IS FURTHER ORDERED that Respondent, Mitchell A. Steitz, shall be liable for and pay a fine in the
2 amount of \$10,000.

3 IT IS FURTHER ORDERED that Respondent, Mitchell A. Steitz, shall be liable for and pay costs in the
4 amount of \$900.

5 **AUTHORITY AND PROCEDURE**

6 This FINAL ORDER is entered pursuant to the provisions of RCW 21.20.110 and 21.20.390, and is subject to
7 the provisions of RCW 21.20.120 and RCW 34.05. Respondents have the right to petition the superior court for
8 judicial review of this agency action under the provisions of RCW 34.05. For the requirements for Judicial Review,
9 see RCW 34.05.510 and sections following. Pursuant to RCW 21.20.395, a certified copy of this Order may be filed in
10 Superior Court. If so filed, the clerk shall treat the Order in the same manner as a Superior Court judgment as to the
fine, and the fine may be recorded, enforced, or satisfied in like manner.

11 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

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13 SIGNED and ENTERED this 9th day of May 2012.

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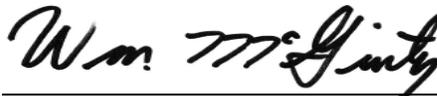
17 William M. Beatty
18 Securities Administrator

19 Approved by:

Presented by:

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22 Suzanne Sarason
23 Chief of Enforcement

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William McGinty
Financial Legal Examiner