

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

IN THE MATTER OF: LAWRENCE T. SMITH )

FILE NO. 0700463

**CONSENT ORDER OF  
WITHDRAWAL OF APPLICATION**

TO THE RESPONDENT: Lawrence T. Smith  
(CRD #: 2419838)  
15 Post Drive  
Roslyn, New York 11576

C/o Light Speed Professional Trading, LLC  
148 Madison Avenue 9th Floor  
New York, New York 10016

C/o Norman B. Arnoff Attorney At Law  
Burkhart, Wexler & Hirschberg LLP  
585 Stewart Avenue  
Garden City, New York 11530

WHEREAS, Respondent on the 14<sup>th</sup> day of February 2008 executed a certain Stipulation to Enter Consent Order of Withdrawal of Application (the "Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent has admitted to the jurisdiction of the Secretary of State and service of the Notice of Hearing of the Secretary of State, Securities Department dated November 29, 2007 in this proceeding (the "Notice") and Respondent has consented to the entry of this Consent Order of Withdrawal of Application ("Consent Order").

WHEREAS, by means of the Stipulation, the Respondent acknowledged, without admitting or denying the truth thereof, that the following allegations contained in the Notice of Hearing shall be adopted as the Secretary of State's Findings of Fact:

Consent Order of  
Withdrawal of Application

2

1. That on October 1, 2007, Lightspeed Professional Trading LLC a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. That on June 11, 1998 NASD entered order-accepting offer of settlement submitted by the Respondent (Order) regarding disciplinary proceeding No. CAF97002 which sanctioned the Respondent as follows:
  - a. Censured;
  - b. Suspended from associating with any member firm in any capacity for two years;
  - c. Required to requalify by examination prior to becoming associated with any member firm; and
  - d. Fined \$20,000.
3. That the Order found:
  - a. The Respondent was, at all times relevant to this matter, a registered representative at Stratton Oakmont.
  - b. The Respondent made unauthorized trades in the account of at least one customer, purchasing a security when the criteria set by the customer had not been met.
  - c. The Respondent made baseless and improper price predictions as to speculative securities to customers on at least three occasions.
  - d. The Respondent falsely promised to limit customer losses on at least two occasions.
  - e. The Respondent induced at least one risk-averse customer to purchase an unsuitably risky security.
  - f. The Respondent falsely told the customer described immediately above that the security was not risky.
  - g. The Respondent failed to execute a customer sell order on at least one occasion.

Consent Order of  
Withdrawal of Application

3

- h. The Respondent made false representations to a customer as to an issuer's business prospects on at least one occasion.
  - i. The Respondent falsified the new account documentation of at least one customer to create the appearance that the customer could and wanted to invest in speculative securities.
  - j. The Respondent failed to testify truthfully in the NASD investigation of this matter when properly required to do so. Based on the foregoing, Respondent violated 10(b) of the Securities Exchange Act of 1934, Rule 10b-5 there under, Conduct Rules 2110, 2120, and 2310(a), and Procedural Rule 8210.
4. That Section 8.E (1)(j) of the Act provides, inter alia, that the registration of a salesperson may be denied if the Secretary of State finds that such Salesperson has been suspended by any self-regulatory organization Registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory Organization.
5. That NASD is a self-regulatory organization as specified in Section 8.E (1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged, without admitting or denying the averments, that the following shall be adopted as the Secretary of State's Conclusion of Law:

That by virtue of the foregoing, the Respondent's application for registration as a salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(j) of the Act.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall cause to have his application for registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.

WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he shall be levied costs incurred during the investigation of this matter in the amount of One Thousand dollars (\$1,000.00). Said amount is to be paid by certified or cashier's check, made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

Consent Order of  
Withdrawal of Application

4

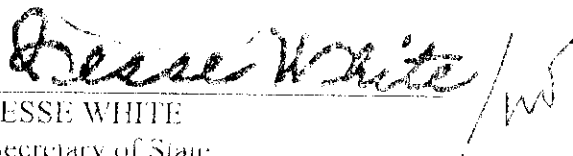
WHEREAS, by means of the Stipulation Respondent has acknowledged and agreed that he has submitted with the Stipulation a certified or cashier's check in the amount of One Thousand dollars (\$1,000.00) to cover costs incurred during the investigation of this matter. Said check has been made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has determined that the matter related to the aforesaid formal hearing may be dismissed without further proceedings.

NOW THEREFORE IT SHALL BE AND IS HEREBY ORDERED THAT:

1. The Respondent shall cause to have his application for registration as a salesperson in the State of Illinois withdrawn within three (3) days from the entry of this Consent Order and will not re-apply for registration for a period of two (2) years from the entry of this Consent Order.
2. The Respondent is levied costs of investigation in this matter in the amount of One Thousand dollars (\$1,000.00), payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund, and on February 14, 2008 has submitted One Thousand dollars (\$1,000.00) in payment thereof.
3. The formal hearing scheduled on this matter is hereby dismissed without further proceedings.

ENTERED This 5<sup>th</sup> day of MARCH 2008.

  
JESSE WHITE  
Secretary of State  
State of Illinois