

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF. L. KENNEDY DBA LUXEM CAPITAL,)
 LYDIA KENNEDY RITA AND) File No.1300141
 YUNG BAE KIM)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: L. Kennedy dba Luxem Capital
 P.O. Box 2455
 Carbondale, Illinois 62902

 Lydia Kennedy Rita
 1719 NE Miami Gardens Dr. #233
 North Miami Beach, FL 33179-5351

 Yung Bae Kim
 Substitute Service.
 Secretary of State Index Department

Upon information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, having been fully advised in the premises by the staff of the Illinois Securities Department, Office of the Secretary of State, herein find.

1. Respondent, L. Kennedy dba Luxem Capital, purports to have a mailing address of P.O. Box 2455, Carbondale, Illinois 62902.
2. Respondent, Lydia Kennedy Rita, is an individual also known as L. Kennedy, Lia Kennedy, Lydia Kennedy and Lydia Mae Rita with a last known address of 1719 NE Miami Gardens Dr #233, North Miami Beach, Florida 33179-5351 and a previous address of 61 W. Murphysboro Rd., Carbondale, Illinois 62901.
3. Respondent, Yung Bae Kim, is an individual with no known address at this time.
4. Respondents issued a Promissory Note dated May 26, 2010, explicitly stating that it was under penalty of perjury, to a Tennessee resident (the "Investor").

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5. One copy of the Promissory Note was signed by L. Kennedy and another was signed by Yung Bae Kim, as guarantor.
6. The Promissory Note also stated that, in exchange for twenty-five thousand dollars (\$25,000), the Investor would receive seventy-five thousand dollars (\$75,000) within ninety (90) days. If payment was more than ten (10) days late, a five thousand (\$5,000) late fee would also be paid to the Investor.
7. On May 28, 2010, twenty-five thousand dollars (\$25,000) was wired into a *Carbondale, Illinois bank account in the name of Luxem Capital*.
8. No payment has ever been made to the Investor, despite the Investor's repeated demands.
9. Respondents failed to disclose to the Investor the substantial risk of investing in the Promissory Note.
10. Furthermore, history indicates that, as a course of business, Respondent, Lydia Kennedy Rita, has made promises to pay guaranteed sums of money to investors and then fail to do so.
 - a) In 1998, in a case brought by the United States Attorneys' Office in the Western District of Texas, Austin Division, Lydia Kennedy Rita entered into a plea agreement wherein she agreed to plead guilty to a charge of conspiracy to commit wire fraud and a charge of engaging in monetary transactions involving property from unlawful activity.
 - b) Lydia Kennedy Rita was sentenced to forty-two (42) months imprisonment and was ordered to pay restitution in the amount of one million, nine hundred eighteen, four hundred ninety-six dollars and ninety cents (\$1,918,496.90).
 - c) In support of her guilty plea, she agreed with the prosecution that, as part of a conspiracy and fraudulent scheme, Lydia Kennedy Rita dba L. Kennedy & Associates in Austin, Texas (and others) enticed investors to send her money in connection with loans and executed irrevocable payment guarantees to provide the false impression that the money sent in was secure and would be refunded in full.
 - d) She further agreed that, as part of the conspiracy and fraudulent scheme, Lydia Kennedy Rita (and others) made false and fraudulent representations in order to lull, stall, hinder or delay action to gain the refund of the money received.
11. The Promissory Note is a security as defined in Section 2 1 of the Act

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12. Each Respondent acted as a dealer and/or salesperson as the terms are defined in Sections 2.7 and 2.9 of the Act.
13. Section 8 of the Act provides, inter alia, that every dealer and salesperson shall be registered as such with the Secretary of State.
14. Section 12.C of the Act provides, inter alia, that it shall be a violation of the Act for any person to act as a dealer or salesperson unless registered as required under the Act.
15. At all times relevant hereto, the Respondents failed to register as a dealer or salesperson prior to the offer and sale of securities in the State of Illinois.
16. The activities described above constitute the offer and sale of a security as defined in Sections 2.5 and 2.5a of the Act.
17. Section 5 of the Act provides, inter alia, that all securities, unless otherwise provided in Section 2a, 3, 4, 6 or 7 of the Act, shall be registered prior to their offer or sale in this State of Illinois.
18. Respondents failed to file with the Secretary of State an application for registration of the securities described above as required by the Act, and as a result, the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
19. Section 12.A of the Act provides, inter alia, that it shall be a violation of the Act to offer or sell any security except in accordance with the Act.
20. Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act to fail to file with the Secretary of State any application, report or document required to be filed under the Act.
21. Section 12.F of the Act provides, inter alia, that it shall be a violation of the Act to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
22. Section 12.G of the Act provides, inter alia, that it shall be a violation of the Act to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading

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23. Section 12.I of the Act provides, inter alia, that it shall be a violation of the Act to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
24. By virtue of the foregoing, the Respondents, L. Kennedy dba Luxem Capital, Lydia Kennedy Rita and Yung Bae Kim, have violated Sections 12.A, 12.C, 12.D, 12.F, 12.G and 12.I of the Act.
25. Section 11.F(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act.
26. Based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits the Respondents, L. Kennedy dba Luxem Capital, Lydia Kennedy Rita and Yung Bae Kim, from offering and selling securities in the State of Illinois.
27. Based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, L. Kennedy dba Luxem Capital, Lydia Kennedy Rita and Yung Bae Kim are hereby PROHIBITED from offering and selling securities in or from the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondents may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 300 W Jefferson St., Suite 300A, Springfield, Illinois 62702. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTE SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

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ENTERED: This 17th day of April, 2013



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State

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