UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 57101 / January 4, 2008

INVESTMENT ADVISERS ACT OF 1940 Release No. 2690 / January 4, 2008

Administrative Proceeding File No. 3-12923

IN THE MATTER OF K.W. BROWN & COMPANY, ET. AL.

The United States Securities and Exchange Commission (Commission) announced the issuance of an Order Instituting Public Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e) and 203(f) of the Investment Advisers Act of 1940 (Order) against Ken and Wendy Brown, who controlled K.W. Brown & Company, 21st Century Advisors, Inc., and K.W. Brown Investments, Inc., which are entities registered with the Commission as investment advisers and/or broker-dealers, and a registered representative of the broker-dealer, Michael Cimilluca (the Respondents). The Order is based on the entry of a permanent injunction against the Respondents for violating Section 10(b) of the Securities Exchange Act of 1934 (Exchange Act), Rule 10b-5 promulgated thereunder, Sections 204, 206(1), 206(2) and 207 of the Investment Advisers Act of 1940 (Advisers Act) and Rules 204-1(a)(2) and 204-2(a)(8) thereunder, based on the District Court's findings the Respondents engaged in an illegal cherry-picking scheme.

The Division of Enforcement alleges in the Order that from September 2002 through at least June 2006 the Respondents, knowingly or recklessly, engaged in an illegal cherrypicking scheme that netted the Respondents \$4.5 million dollars while passing more than \$9 million of losses onto unsuspecting advisory clients who had placed their trust and confidence in Ken Brown, Brown & Company and 21st Century.

The Division also alleges that following a nine-day bench trial, the District Court entered a permanent injunction and final judgment against all Respondents, permanently enjoining them from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act of 1933, Sections 204, 206(1), 206(2) and 207 of the Advisers Act and Rules 204-1(a)(2) and 204-2(a)(8) thereunder. The Division alleges the District Court also held the Respondents joint and severally liable for disgorgement of \$4,796,147 in ill-gotten gains plus prejudgment interest. Additionally, the Court imposed third-tier civil penalties of \$4.5 million on the corporate defendants, collectively; \$250,000 each on Ken Brown and Cimilluca; and \$100,000 on Wendy Brown.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide the Respondents an opportunity to dispute these allegations, and to determine what, if any, remedial sanctions are appropriate and in the public interest. The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the Order.