

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56676 / October 18, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12654

In the Matter of

**PAUL E. KNIGHT, JOHN L.
MONTANA AND WORLDWIDE
T&P, INC.**

Respondents.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AS TO PAUL E. KNIGHT**

I.

On June 8, 2007, the Securities and Exchange Commission (the “Commission”) instituted public administrative proceedings against Respondent Paul E. Knight pursuant to an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Notice of Hearing (“OIP”).

II.

Respondent Paul E. Knight has submitted an Offer of Settlement (the “Offer”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.3 below, which are admitted, Respondent Knight consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”), as set forth below:

III.

On the basis of this Order and Respondent Knight’s Offer, the Commission finds that:

1. Knight is the sole owner, employee and officer of P.K. Trust & Holding, Inc., a Tennessee corporation formed to facilitate transactions in high yield investment programs. Knight, 57 years old, is a resident of Kodak, Tennessee.

2. On October 15, 2003, the Commission filed a Complaint in the United States District Court for the Southern District of Indiana (“Court”), captioned United States Securities and Exchange Commission v. John L. Montana, et al., Case No. 1:03-CV-1513. The Commission’s Complaint alleged that, from at least October 1999 until April 2000, in connection with the sale of interests in a purported trading program, Knight made misrepresentations and omissions of material fact to investors regarding the purported trading program, including the investment’s rate of return, the safety of the investment and the use of investors’ funds. The Complaint further alleged that Knight sold unregistered securities and acted as an unregistered broker-dealer by effectuating transactions in securities for the accounts of others.

3. On November 22, 2006, the Court granted the Commission’s motion for summary judgment against Knight. On May 23, 2007, a final judgment was entered against Knight permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Sections 10(b), 15(a)(1) and 15(c)(1) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

4. In its November 22, 2006 Order, the Court found as to Knight:

- a. that Knight sold and offered to sell unregistered securities;
- b. that Knight misrepresented to investors the use, safety and control of investor funds in the purported trading program;
- c. that Knight knew that no legitimate trading program actually existed that would or could deliver on the returns he promised;
- d. that Knight used investor funds in a manner totally inconsistent with the representations he made, both through his written agreements and verbal representations with individual investors before and after investments were made;
- e. that Knight offered investors interests in the purported trading program and, in doing so, was not registered as a securities broker or dealer;
- f. that Knight, while acting as an unregistered broker, knowingly misrepresented and failed to disclose material facts regarding the nature of the investments he was selling, the use and safety of the investor funds and the rates of return on the investments.

5. In its May 23, 2007, final judgment against Knight, the Court ordered that Knight and his corporation, P.K. Trust & Holding, Inc., be jointly and severally liable for disgorgement of \$1,750,945, representing profits or other financial gain resulting from the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$900,874, for a total of \$2,651,819. Knight was also ordered to pay a civil penalty in the amount of \$110,000.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Knight's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Knight be, and hereby is barred from association with any broker or dealer.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Nancy M. Morris
Secretary