

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934
Release No. 54358/August 24, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12297

In the Matter of	:	
	:	
BRANDON T. BUSH	:	ORDER MAKING FINDINGS AND IMPOSING SANCTION BY DEFAULT
	:	

SUMMARY

This Order bars Brandon T. Bush (Bush) from association with a broker or dealer. Bush was previously enjoined from violating the antifraud provisions of the securities laws, based on his involvement in a fraudulent short-selling scheme.

I. BACKGROUND

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings (OIP) against Bush on May 16, 2006, pursuant to Section 15(b) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that he was enjoined in 2006 from violating the antifraud provisions of the federal securities laws, based on his wrongdoing while associated with a registered broker-dealer. Bush was served with the OIP on July 14, 2006. He failed to file an Answer, due twenty days after service of the OIP. See 17 C.F.R. § 201.220(b); OIP at 3. A respondent who fails to file an Answer to the OIP may be deemed to be in default, and the administrative law judge may determine the proceeding against him.¹ See 17 C.F.R. §§ 201.155(a), .220(f); OIP at 3. Thus, Bush is in default, and the undersigned finds the following allegations in the OIP are true.

¹ Previously, Bush was advised that if he failed to file an Answer to the OIP within the time provided by law, the undersigned would enter an order barring him from association with a broker or dealer. See Brandon T. Bush, Admin. Proc. No. 3-12297 (A.L.J. July 18, 2006) (unpublished) (citing 17 C.F.R. §§ 201.155(a), .220(f)).

II. FINDINGS OF FACT

Bush is permanently enjoined from violating the antifraud provision of the federal securities laws. SEC v. Davidson, Civ. No. 05-742 (E.D. Pa. Mar. 30, 2006). Specifically, the court entered a Final Judgment and Order of Permanent Injunction and Other Relief against Bush: (i) permanently enjoining him from violating Section 17(a) of the Securities Act of 1933 and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; (ii) ordering him to disgorge ill-gotten gains of \$14,760.84 plus prejudgment interest of \$2,687.72; and (iii) ordering him to pay a civil penalty of \$120,000. The wrongdoing that underlies Bush's injunction occurred from October 2002 through March 2003 while he was associated as a trader with D.L. Cromwell Investments, Inc. (Cromwell), at that time a broker-dealer registered with the Commission, located in Boca Raton, Florida. In response to Cromwell's growing short position in the stock of Expedia, Inc., Bush used Cromwell's on-line access to its clearing broker's system to fraudulently enter and then cancel Expedia buy orders. He entered and cancelled these fictitious buys almost daily for five months, concealing the size of Cromwell's short position and its margin problems from the clearing broker. Bush had held Series 7, 55, and 63 licenses, which are not currently active. In 2004, Bush was barred from association with any NASD member firm for failing to appear for on-the-record interviews.

III. CONCLUSIONS OF LAW

Bush is permanently enjoined "from engaging in or continuing any conduct or practice in connection . . . with the purchase or sale of any security" within the meaning of Sections 15(b)(4)(C) and 15(b)(6)(A)(iii) of the Exchange Act.

IV. SANCTION

Bush will be barred from association with any broker-dealer. This sanction will serve the public interest and the protection of investors, pursuant to Section 15(b) of the Exchange Act. It accords with Commission precedent and the sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), aff'd on other grounds, 450 U.S. 91 (1981). Bush's unlawful conduct was recurring and egregious, occurring almost daily over a period of five months. There are no mitigating circumstances.

V. ORDER

IT IS ORDERED that, pursuant to Section 15(b) of the Securities Exchange Act of 1934, BRANDON T. BUSH IS BARRED from association with a broker or dealer.

Carol Fox Foelak
Administrative Law Judge