

**UNITED STATES OF AMERICA**  
**before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 52847 / November 29, 2005**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2449 / November 29, 2005**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12112**

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In the Matter of

JAMES A. FRANKLIN, JR.,

Respondent.

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**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS, MAKING FINDINGS,  
AND IMPOSING REMEDIAL SANCTIONS  
PURSUANT TO SECTION 15(b) OF THE  
SECURITIES EXCHANGE ACT OF 1934 AND  
SECTION 203(f) OF THE INVESTMENT  
ADVISERS ACT OF 1940**

**I.**

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against James A. Franklin, Jr. ("Franklin" or "Respondent").

**II.**

In anticipation of the institution of this administrative proceeding, Respondent has submitted an Offer of Settlement ("Offer") that the Commission has determined to accept. Solely for the purpose of this proceeding and any other proceeding 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 this proceeding, and except as to the entry of the injunction set forth in paragraph III.B. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940 ("Order") as set forth below.

### III.

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

A. Respondent, age 38, is a resident of Florence, South Carolina. Respondent is the former general counsel for Professional Management, Inc. and a former executive of Professional Management Consulting, Inc. During the relevant time, Respondent acted as an investment adviser and unregistered broker-dealer.

B. On November 23, 2005, the United States District Court for the Middle District of Florida entered a Final Judgment as to James A. Franklin, Jr., permanently enjoining Respondent from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b), 15(a) and 15(c) of the Exchange Act, and Rules 10b-5 and 15c1-2 thereunder, and Sections 206(1) and 206(2) of the Advisers Act.

C. The Commission's complaint alleged that Respondent variously acted as an unregistered broker-dealer and investment adviser, made materially false or misleading statements and omissions to clients concerning the purchase and sale of securities, and misappropriated or diverted client funds for non-investment purposes. In addition to enjoining Franklin from further violations of the antifraud and broker-dealer registration provisions, the Court required Franklin to pay a total of \$214,310.34, representing disgorgement of \$90,000.00, and prejudgment interest of \$124,310.34.

### IV.

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

#### **IT IS HEREBY ORDERED:**

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

B. Pursuant to Section 203(f) of the Advisers Act, that Respondent Franklin be, and hereby is, barred from association from any investment adviser.

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.

By the Commission

Jonathan G. Katz  
Secretary