

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 51804 / June 8, 2005**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2393 / June 8, 2005**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11946**

**In the Matter of**

**CARLOS A. SHIBATA**

**Respondent.**

**ORDER INSTITUTING  
ADMINISTRATIVE PROCEEDINGS  
PURSUANT TO SECTION 15(b)(6) OF  
THE SECURITIES EXCHANGE ACT OF  
1934 AND SECTION 203(f) OF THE  
INVESTMENT ADVISERS ACT OF 1940,  
MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS**

**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)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Carlos A. Shibata (“Shibata” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent 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. B below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section

15(b)(6) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

### III.

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

A. Shibata, 32, is a resident of Miami, Florida. From February 2003 through June 2004, Shibata was a registered representative associated with Smith Barney (a division of Citigroup Global Markets, Inc., a broker-dealer and investment adviser registered with the Commission). Shibata was also a registered adviser with the State of Florida.

B. On March 21, 2005, Shibata pled guilty to two counts of wire fraud in violation of Title 18 United States Code, Sections 1343 and 1349 before the United States District Court for the Southern District of Florida, in United States v. Carlos A. Shibata, Case No. 04-20770-CR-Highsmith.

C. The counts of the indictment to which Shibata pled guilty alleged, among other things, that between December 2003 and June 2004, Shibata defrauded a customer of Smith Barney and obtained money and property by means of materially false and fraudulent statements, by use of wire communication, in interstate commerce. The counts of the indictment to which Shibata pled guilty also allege that Shibata devised and attempted to devise a scheme which caused a fraudulent wire transfer of approximately \$290,000 and an attempted wire transfer of \$150,000 from the customer of Smith Barney for Shibata’s own personal benefit. The fraudulent wire transfer of approximately \$290,000 resulted from the liquidation of \$295,000 of securities owned by Shibata’s customer (the additional \$5,000 was for fees and expenses incurred). The attempted wire transfer of \$150,000 was for the purchase of a high-end automobile by Shibata.

### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Shibata be, and hereby is barred from association with any broker, dealer, or 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