

**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C.**

Investment Advisers Act of 1940  
Release No. 2765 / August 1, 2008

Securities Exchange Act of 1934  
Release No. 58287 / August 1, 2008

Administrative Proceeding  
File No. 3-13112

In the Matter of Kent D. Nelson

The United States Securities and Exchange Commission announced the issuance of an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, and Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing (Order) against Kent D. Nelson (Nelson).

In the Order, the Division of Enforcement (Division) alleges that on September 14, 2005, Nelson, a registered representative and investment adviser in San Diego, California, pleaded guilty to one count of mail fraud in violation of Title 18 United States Code, Section 1341, in the criminal action entitled United States v. Kent Nelson, Criminal Information No. 05-2021 JP, in the United States District Court for the District of New Mexico. The information to which Nelson pleaded guilty alleged that, from December 1999 through March 2005, Nelson paid substantial amounts of money to corruptly influence the Treasurer of the State of New Mexico to award securities work to Nelson, and used the United States mail to pay kickbacks to the Treasurer of the State of New Mexico. The Division further alleges that on May 8, 2007 Nelson pleaded guilty and was convicted on state racketeering charges in the State of New Mexico based on the same facts, and that on January 3, 2006, the California Corporations Commissioner issued an order barring Nelson from affiliation with an investment adviser.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Nelson an opportunity to respond to these allegations, and to determine what sanctions, if any, are appropriate and in the public interest. The Order directs the administrative law judge to issue an initial decision within 210 days from the date of service of the Order.

The Commission wishes to thank the New Mexico Securities Division and United States Attorneys Office in Albuquerque, New Mexico for their cooperation in this matter.