

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58011 / June 24, 2008

INVESTMENT ADVISERS ACT OF 1940
Release No. 2747 / June 24, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-12923

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| In the Matter of |) | |
| K.W. Brown & Company, |) | |
| 21 st Century Advisors, Inc., |) | |
| K.W. Brown Investments, Inc., |) | |
| Kenneth Brown, Wendy Brown, |) | |
| and Michael Cimilluca, Jr., |) | |
| Respondents. |) | |
| |) | |

**ORDER 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
AS TO KENNETH BROWN**

I.

Kenneth Brown (“Respondent” or “Ken Brown”), pursuant to Rule 240(a) of the Rules of Practice for the Securities and Exchange Commission (“Commission”) [17 C.F.R. § 201.240(a)] submitted an Offer of Settlement (“Offer”) in the above-captioned proceeding, which was instituted against him on January 4, 2008 by the Commission, 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”).

II.

Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party prior to a hearing pursuant to the Commission’s Rules of Practice, 17 C.F.R. § 201.100 *et seq.*, and without admitting or denying the findings contained herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.1 and III.4 below, which are admitted, Respondent consents to the entry of an Order 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 as to Kenneth Brown (“Order”) by the Commission containing the following findings and remedial sanctions set forth below.

III.

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

1. Ken Brown, age 59, resides in Manalapan, Florida. Ken Brown is a self-proclaimed "Nationally Recognized Financial Radio Talk Show Host" who hosts a talk show every weekday morning and evening on a Palm Beach, Florida radio station. He is a founding partner and the current chief financial officer, operating partner, managing partner, director, and chairman of the Board of K.W. Brown & Company ("Brown & Company"). Ken Brown is also a founding partner and the president of 21st Century Advisors, Inc. (21st Century") and the CEO and a registered representative of K.W. Brown Investments ("Brown Investments"). During the relevant time period, Ken Brown was the principal investment adviser for 21st Century and Brown & Company, as well as the registered representative for the proprietary trading account at Brown Investments.

2. On April 27, 2005, the Commission filed a civil injunctive action against Respondents Brown & Company, 21st Century, Brown Investments, Ken Brown, Wendy Brown and Michael Cimilluca, Jr. ("Cimilluca") (collectively, the "Respondents") in the United States District Court for the Southern District of Florida, alleging the Respondents violated the anti-fraud and books and records provisions of the federal securities laws. See Securities and Exchange Commission v. K.W. Brown, et al., Case No. 0:05-CV-80367.

3. More specifically, the Commission's complaint alleged that beginning in September 2002, the Respondents profited, at the expense of clients who, through Ken Brown, held advisory accounts with 21st Century and Brown & Company, by allocating favorable trades to the proprietary account Cimilluca traded. Additionally, the complaint alleged the Respondents failed to implement policies and procedures to prevent this improper trading activity even though the Commission's examination staff identified lax internal controls and numerous other violations, including breach of fiduciary duty and undisclosed conflicts of interest, as well as multiple books and records deficiencies.

4. On December 19, 2007, following a nine-day bench trial, the District Court entered a permanent injunction and final judgment against all Respondents, permanently enjoining them from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act of 1933 and Sections 206(1), 206(2), 207, 204 and Rules 204-1(a)(2) and 204-2(a)(8) of the Advisers Act. The Court also held the Respondents jointly and severally liable for disgorgement of \$4,796,147 plus prejudgment interest. Additionally, the Court imposed a third-tier civil penalty of \$4.5 million, collectively, on Brown & Company, 21st Century and Brown Investments; \$250,000 on Ken Brown; \$250,000 on Cimilluca; and \$100,000 on Wendy Brown.

5. The 71-page final judgment contained 136 paragraphs of factual findings and 26 pages of legal conclusions showing the Respondents violated the federal securities laws that served as the basis of the permanent injunction. The Court specifically found that from September 2002 through at least June 2006 the Respondents, knowingly or recklessly, engaged in an illegal cherry-picking scheme that netted the Respondents \$4.5 million dollars in ill-gotten gains while

passing more than \$9 million of losses onto unsuspecting advisory clients who, through Ken Brown, had placed their trust and confidence in the investment advisers, Brown & Company and 21st Century.

IV.

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

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

Florence E. Harmon
Acting Secretary