

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3255 / July 29, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14493

In the Matter of

KENNETH W. BURNT,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Kenneth W. Burnt (“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 Paragraph III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to 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:

1. Burnt, age 69, is a resident of Buford, Georgia. From at least September 2009 through December 2010, Burnt was associated with unregistered investment advisers Perimeter Wealth Financial Services, Inc. ("Perimeter Wealth") and KSB Financial, Inc. ("KSB"). Burnt is the CEO and CFO of Perimeter Wealth and the CFO of KSB. Burnt has been the sole advisory employee of both Perimeter Wealth and KSB.

2. On July 19, 2011, an Order Granting Permanent Injunctions and Ordering Other Ancillary Relief was entered by consent against Burnt, permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, in the civil action entitled Securities and Exchange Commission v. Kenneth W. Burnt, et al., Civil Action Number 1:10-CV-04121-AT, in the United States District Court for the Northern District of Georgia.

3. The Commission's complaint in the above-referenced civil action alleged that from at least September 2009 through December 2010, Burnt, through Perimeter Wealth and KSB, raised approximately \$4.5 million from more than 20 investors through the unregistered offering of securities in interests in a covered-call equities trading program. Investors who participated in the covered-call equities trading program entered into written agreements with Perimeter Wealth and KSB, executed by Burnt. Pursuant to these written agreements, Burnt, through Perimeter Wealth and KSB, represented that 100% of an investor's funds would be placed into a securities account "to be used to purchase high quality undervalued and income equities" that would "generate revenues from the trading of covered-calls." Burnt, through Perimeter Wealth and KSB, guaranteed individual investors specified returns that varied between 8% and 12% per year regardless of actual trading performance and further guaranteed all investors against any loss to their investment principal. Burnt, through Perimeter Wealth and KSB, was to be compensated pursuant to these written agreements with investors based upon investment performance in an amount equal to the investor returns generated above the minimum guaranteed annual returns. Burnt, through Perimeter Wealth and KSB, further represented within the written agreements that "the client is paid first." Despite the representations within the written agreements, Burnt withdrew investor funds for personal use prior to their earning the minimum guaranteed returns.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Burnt be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal adviser, transfer agent, or nationally recognized statistical rating organization.

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.

Elizabeth M. Murphy
Secretary