

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62868 / September 8, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-14038

In the Matter of

KENNETH BRUCE BAKER,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND NOTICE OF HEARING**

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”) against Kenneth Bruce Baker (“Respondent” or “Baker”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Baker, who is 59 years of age, has a last known residence in Cape Coral, Florida. From 2003 to 2005, Baker served as a consultant to SkyWay Communications Holding Corp. (“SkyWay”). Baker was responsible for locating a public shell for SkyWay’s reverse merger, locating investors in exchange for commissions, and communicating with brokers, dealers, and others in the financial community on behalf of SkyWay.

2. Baker, who has never been registered as or with a licensed broker-dealer, participated in unregistered broker-dealer conduct in connection with SkyWay stock, which is a penny stock.
- B. ENTRY OF AN INJUNCTION AGAINST BAKER
3. In March 2009, the Commission filed a complaint against Baker in Securities and Exchange Commission v. SkyWay Global LCC, et al. (Civil Action Number 09-CV-455). On July 29, 2010, the Court entered a default judgment permanently enjoining Baker from violating Section 15(a)(1) of the Securities Exchange Act of 1934 by acting as a broker-dealer and promoting the purchase of a security without first registering with the Commission.
 4. The Commission's complaint alleged, among other things, that from 2003 until 2005, Baker acted as an unregistered broker-dealer in connection with SkyWay stock. SkyWay retained Baker and agreed to pay him a 5% commission (later raised to 7% and then 10%) on any investor funds Baker helped raise. Pursuant to an agreement with SkyWay, Baker also received S-8 stock as a commission for all stock sales his business associate and his sales agents made. In addition, Baker promoted SkyWay through various meetings he arranged with brokers, market makers, and investors. In exchange for these efforts, SkyWay paid Baker commissions of at least \$1.9 million (\$315,000 in cash and the balance in stock). To conceal SkyWay's use of S-8 stock to pay Baker's commissions, SkyWay and its CEO, James Kent, signed a bogus agreement dated July 1, 2003 that stated Baker would not be paid for promoting SkyWay or raising money for the company.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

- A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;
- B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent by e-mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 And Notice of Hearing ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557

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Mr. Kenneth Bruce Baker
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