

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 28, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13603

In the Matter of

BROOKE CORPORATION and
BROOKE CAPITAL
CORPORATION,

Respondents.

ORDER INSTITUTING PROCEEDINGS AND
NOTICE OF HEARING PURSUANT TO
SECTION 12(j) OF THE SECURITIES
EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”) against Respondents Brooke Corporation and Brooke Capital Corporation.

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. Brooke Corporation (“Brooke”), a Kansas corporation with its principal place of business in Overland Park, Kansas, is a holding company for entities that franchise insurance agencies, provide franchisees with financing, and repackage and sell franchisee loans to third party financial institutions. Brooke filed a petition for Chapter 11 bankruptcy on October 28, 2008, and has ceased almost all of its business operations. Brooke’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act. Brooke’s stock was quoted through the National Association of Securities Dealers Automated Quotation System until October 23, 2008. Brooke’s stock is currently quoted through the Pink Sheets operated by Pink OTC Markets Inc.

2. Brooke Capital Corporation (“Brooke Capital”), a Kansas corporation with its principal place of business in Overland Park, Kansas, franchises insurance agencies. Brooke Capital filed a petition for Chapter 11 bankruptcy on October 28, 2008, and has ceased almost all of its business operations. Brooke Capital’s common stock is registered with the Commission pursuant to Section 12(g) of the Exchange Act. Brooke Capital’s stock traded on the American Stock Exchange until October 23, 2008. Brooke Capital’s stock is currently traded through the inter-dealer market, also known as the grey market.

B. DELINQUENT PERIODIC FILINGS

3. Brooke is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed its Form 10-Q for the quarter ended June 30, 2008. Brooke has not filed an Annual Report on Form 10-K for its fiscal year ending December 31, 2008, or periodic or quarterly reports on Form 10-Q for any fiscal period subsequent to its fiscal quarter ending June 30, 2008.

4. Brooke Capital is delinquent in its periodic filings with the Commission, having not filed any periodic reports since it filed its Form 10-Q for the quarter ended June 30, 2008. Brooke Capital has not filed an Annual Report on Form 10-K for its fiscal year ending December 31, 2008, or periodic or quarterly reports on Form 10-Q for any fiscal period subsequent to its fiscal quarter ending June 30, 2008.

5. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports. Specifically, Rule 13a-1 requires issuers to file annual reports and Rule 13a-13 requires issuers to file quarterly reports.

6. As a result of the foregoing, Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

III.

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

A. Whether the allegations contained in Section II hereof are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or to revoke the registration of each class of securities of the Respondents identified in Section II hereof registered pursuant to Section 12 of the Exchange Act.

IV.

IT IS HEREBY 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 HEREBY FURTHER ORDERED that Respondents 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(b) of the Commission's Rules of Practice [17 C.F.R. § 201.220(b)].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents personally or by certified, registered, or Express Mail, or by other means permitted by the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

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.

By the Commission.

Elizabeth M. Murphy
Secretary