

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**June 8, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12654**

**In the Matter of**

**PAUL E. KNIGHT, JOHN L.  
MONTANA AND  
WORLDWIDE T&P, INC.**

**Respondents.**

**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 Paul E. Knight (“Knight”), John L. Montana (“Montana”) and Worldwide T&P, Inc. (“Worldwide T&P”) (collectively “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENTS**

1.     Knight is the sole owner, employee and officer of P.K. Trust & Holding, Inc., a Tennessee corporation formed to facilitate transactions in high yield investment programs. Knight, 57 years old, is a resident of Kodak, Tennessee.

2.     Montana is the sole owner and president of Worldwide T&P. Montana, age 53, is a resident of Staten Island, New York.

3.     Worldwide T&P is a New York corporation formed by Montana to provide intermediary assistance in obtaining financing for imports and exports.

B. THE DISTRICT COURT PROCEEDINGS

4. On October 15, 2003, the Commission filed a Complaint in the United States District Court for the Southern District of Indiana (“Court”), captioned United States Securities and Exchange Commission v. John L. Montana, et al., Case No. 1:03-CV-1513. The Commission’s Complaint alleged that, from at least August 1999 until December 2000, in connection with the sale of interests in a purported trading program which would invest money in the trading of various instruments including medium term notes, Montana, through Worldwide T&P, made misrepresentations and omissions of material fact to investors regarding the purported trading program, including the investment’s rate of return, the safety of the investment and the use of investors’ funds. The Complaint further alleged that Montana, through Worldwide T&P, sold unregistered securities and acted as an unregistered broker-dealer by effectuating transactions in securities for the accounts of others.

5. The Commission’s Complaint also alleged that, from at least October 1999 until April 2000, in connection with the sale of interests in the purported trading program, Knight made misrepresentations and omissions of material fact to investors regarding the purported trading program, including the investment’s rate of return, the safety of the investment and the use of investors’ funds. The Complaint further alleged that Knight sold unregistered securities and acted as an unregistered broker-dealer by effectuating transactions in securities for the accounts of others.

6. On November 22, 2006, the Court granted the Commission’s motion for summary judgment against Montana and Knight. Worldwide T&P had previously defaulted on April 22, 2004. On May 23, 2007, final judgments were entered against Knight, Montana and Worldwide T&P permanently enjoining them from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b), 15(a)(1) and 15(c)(1) of the Exchange Act and Rule 10b-5 thereunder.

7. In its November 22, 2006 Order, the Court found as to Montana and Worldwide T&P:

- a. that Montana, through Worldwide T&P, sold and offered to sell unregistered securities;
- b. that Montana, through Worldwide T&P, misrepresented to investors the use, safety and control of investor funds in the purported trading program;
- c. that Montana, through Worldwide T&P, acted at least recklessly by failing to conduct due diligence to confirm what he was told about the purported trading program;

- d. that Montana, through Worldwide T&P, offered investors interests in the purported trading program and, in doing so, was not registered as a securities broker or dealer;
- e. that Montana, through Worldwide T&P, while acting as an unregistered broker, knowingly misrepresented and failed to disclose material facts regarding the nature of the investments he was selling, the use and safety of the investor funds and the rates of return on the investments

8. In its November 22, 2006 Order, the Court found as to Knight:

- a. that Knight sold and offered to sell unregistered securities;
- b. that Knight misrepresented to investors the use, safety and control of investor funds in the purported trading program;
- c. that Knight knew that no legitimate trading program actually existed that would or could deliver on the returns he promised;
- d. that Knight used investor funds in a manner totally inconsistent with the representations he made, both through his written agreements and verbal representations with individual investors before and after investments were made;
- e. that Knight offered investors interests in the purported trading program and, in doing so, was not registered as a securities broker or dealer;
- f. that Knight, while acting as an unregistered broker, knowingly misrepresented and failed to disclose material facts regarding the nature of the investments he was selling, the use and safety of the investor funds and the rates of return on the investments.

9. In its May 23, 2007, final judgment against Knight, the Court ordered that Knight and his corporation, P.K. Trust & Holding, Inc., be jointly and severally liable for disgorgement of \$1,750,945, representing profits or other financial gain resulting from the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$900,874, for a total of \$2,651,819. Knight was also ordered to pay a civil penalty in the amount of \$110,000.

### 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. are true and, in connection therewith, to afford Respondents the opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents 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 each 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 any 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 or it 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 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.

Nancy M. Morris  
Secretary