

**UNITED STATES OF AMERICA**  
**Before The**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 54402 / September 5, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12407**

<b>In the Matter of</b>	)	<b>ORDER INSTITUTING</b>
<b>KENNETH R. MARTIN</b>	)	<b>ADMINISTRATIVE PROCEEDINGS</b>
<b>Respondent.</b>	)	<b>PURSUANT TO SECTIONS 15(b) AND</b>
	)	<b>15B(c)(4) OF THE SECURITIES</b>
	)	<b>EXCHANGE ACT OF 1934, MAKING</b>
	)	<b>FINDINGS, AND IMPOSING REMEDIAL</b>
	)	<b>SANCTIONS</b>

**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 Sections 15(b) and 15B(c)(4) of the Securities Exchange Act of 1934 (“Exchange Act”) against Kenneth R. Martin (“Martin” or “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 Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Sections 15(b) and 15B(c)(4) of the Securities Exchange Act of 1934, 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. Martin is a resident of Concord, California, and, at all relevant times, was the managing member and a control person of Ibis Securities LLC ("Ibis"), a broker-dealer registered with the Commission.
2. On August 24, 2006, a final judgment was entered by consent against Martin, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Terry Richard Martin, et al., Civil Action Number C 03-2646 C, in the United States District Court for the Western District of Washington.
3. The Commission's complaint in that action alleged that, on or about October 26, 2000, Martin and others made false and misleading statements and omitted material information in the Official Statement for a \$20 million offering of municipal securities by the Holmes Harbor Sewer District in Whidbey Island, Washington. The Commission alleged that Ibis was the underwriter for the offering and Martin was a co-lead investment banker. The Commission alleged that this conduct by Martin violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Sections 15(b) and 15B(c)(4) of the Exchange Act, that Respondent Martin be, and hereby is, barred from association with any broker or dealer or municipal securities dealer with the right to reapply for association after five (5) years to the appropriate self-regulatory organization, or if there is none, to the Commission;

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.

Nancy M. Morris  
Secretary