

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 52211 / August 4, 2005

Administrative Proceeding File No. 3-12005

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| In the Matter of | : | |
| | : | |
| RUSSELL W. JONES, | : | |
| | : | |
| Respondent. | : | ORDER INSTITUTING |
| | : | PROCEEDINGS, MAKING FINDINGS |
| | : | AND IMPOSING REMEDIAL |
| | : | SANCTIONS PURSUANT TO |
| | : | SECTION 15(b) OF THE SECURITIES |
| | : | EXCHANGE ACT OF 1934 |
| | : | |

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest to institute public administrative proceedings pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Russell W. Jones (“Jones”), and such proceedings are hereby instituted.

II.

In anticipation of the institution of these proceedings, Jones has submitted an Offer of Settlement (“Offer”) that 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 contained herein, except for those contained in III.2., which are admitted, Jones consents to the issuance of this Order Instituting Proceedings, Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (the “Order”), the entry of the findings contained herein, and the imposition of the sanction set forth below.

III.

On the basis of this Order and Jones' Offer of Settlement, the Commission finds the following:

1. Jones, age 58, and a resident of Logan, Utah, never held a securities license but was associated with an unregistered broker-dealer during the relevant time.
2. Jones is permanently enjoined by judgment of the United States District Court for the Western District of Virginia, in the action styled *Securities and Exchange Commission v. Russell W. Jones and R&D Marketing, Inc.*, Civil Action No. 5: 01CV00118 (W.D.Va., judgment entered on July 25, 2005), from violating Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.
3. The Commission's Complaint in *SEC v. Jones and R&D Marketing, Inc.* alleged as follows: from April 1997 to the Spring of 2002, Jones, through R&D Marketing Inc., acted as the primary broker and wholesaler of a fraudulent bank-instrument trading program through which the defendants defrauded investors throughout the United States of at least \$1.9 million. Jones dispatched a network of local agents around the country to solicit investors for the program. He supplied these agents with representations that were echoed to investors, including the following claims: (1) that investors' funds would be used to trade in European bank instruments; (2) that this activity would yield returns in excess of 200% within forty-five days; and (3) that the International Monetary Fund sponsored the program. Rather than investing the investors' funds in such a bank-instrument trading program, Jones unilaterally decided to wire the funds to an altogether different fraudulent program, supposedly involving the purchase and re-sale--at rapid and exorbitant profits--of assets from estate auctions in Europe. In June 1997, Jones wired the investor funds to this estate auctions program. The funds disappeared shortly after Jones wired them. Thereafter, and continuing into 2002, Jones lulled investors by (among other things) assuring them that they would still realize the promised returns by sharing in the proceeds of yet another fraudulent program.

IV.

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

Accordingly, it is hereby ORDERED that Jones be, and hereby is, barred from association with any broker or dealer pursuant to Section 15(b) of the Exchange Act.

Any reapplication for association by Jones 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 Jones, 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,

Jonathan G. Katz
Secretary