

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 64298 / April 13, 2011**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3187 / April 13, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14341**

**In the Matter of**

**JAMES J. KONAXIS,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AND SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against James J. Konaxis (“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 Section 15(b)

of the Securities Exchange Act of 1934 and Section 203(f) of Investment Advisers Act of 1940, 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. Konaxis, age 52, is a resident of Beverly, Massachusetts. Konaxis was associated with Sentinel Securities, Inc. (“Sentinel”) from April 2008 through May 2010 as a registered representative. Konaxis also managed advisory accounts for Sentinel’s affiliate Sentinel Pension Advisors and from October 2008 through at least May 2010, Konaxis was registered with Massachusetts as an investment adviser representative. Konaxis has Series 7, 63 and 65 licenses.

2. On April 5, 2011, a judgment was entered by consent against Konaxis, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and barring him from participating in an offering of penny stock, in the civil action entitled Securities and Exchange Commission v. James J. Konaxis, Civil Action Number 1:11-cv-10489-DJC, in the United States District Court for the District of Massachusetts.

3. The Commission’s complaint alleged that, from approximately May 2008 through April 2010, Konaxis, while associated with registered broker-dealer Sentinel, defrauded one of his largest individual customers, S.T., by repeatedly churning at least three of S.T.’s brokerage accounts. According to the Commission’s complaint, the annualized turnover ratios in three of S.T.’s accounts were 16, 9, and 8, respectively, from May 2008 through April 2010. The Commission’s complaint further alleged that Konaxis disregarded S.T.’s interests and earned approximately \$550,000 in commissions as a result of being the registered representative for all of S.T.’s accounts while Konaxis was associated with Sentinel.

### 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 Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, PL 111-203, July 21, 2010, 124 Stat. 1376, Respondent Konaxis be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent.

By the Commission.

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 Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions ("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  
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