

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 53741 / April 28, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12284

In the Matter of	:	
	:	
	:	ORDER INSTITUTING PUBLIC
	:	ADMINISTRATIVE PROCEEDINGS
Kevin J. Barton,	:	PURSUANT TO SECTION 15(b) OF
	:	THE SECURITIES EXCHANGE ACT
	:	OF 1934, MAKING FINDINGS, AND
	:	IMPOSING REMEDIAL SANCTIONS
Respondent.	:	

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 Kevin J. Barton (“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 Public Administrative Proceedings Pursuant to Section 15(b) 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. Barton, 25 years old, is a resident of East Hampton, New York. Barton worked at Kimberly Securities, Inc. ("Kimberly Securities"), a broker-dealer formerly registered with the Commission, as a trainee beginning in March 2001. Barton then worked as a registered representative ("RR") at Kimberly Securities from May 2001 through August 2002.
2. On April 10, 2006, a final judgment was entered by consent against Barton, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Kimberly J. Carrella, et al., Civil Action Number 04-CV-3754, in the United States District Court for the Eastern District of New York.
3. The Commission's complaint alleges that, from early 2000 until September 2002, RRs at Kimberly Securities, including Barton, engaged in a scheme to defraud Kimberly Securities' customers by repeatedly executing unauthorized, unsuitable trades in customer accounts, and churning those accounts. Specifically, Barton and other RRs misrepresented, and failed to disclose, material information to investors to persuade them to open brokerage accounts at Kimberly Securities and to invest significant amounts of money. Once the customers invested funds, Barton and other RRs disregarded their customers' investment objectives. Barton and other RRs repeatedly executed securities transactions that were unauthorized by, and unsuitable for, their customers, and churned their customers' accounts. This frequent trading typically depleted the customers' capital investments through trading losses and commission charges. After there were no remaining funds in the customers' accounts, or the customers closed their accounts, Barton and other RRs lured new, unsuspecting customers into opening accounts at Kimberly Securities, and repeated the same conduct. Through this scheme, Barton and other RRs generated substantial commissions, while the customers lost their entire investment.

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, that Respondent Kevin J. Barton be, and hereby is, barred from association with any broker or dealer.

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