UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58010 / June 24, 2008

INVESTMENT ADVISERS ACT OF 1940
Release No. 2746 / June 24, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-12923

ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(e) OF THE
INVESTMENT ADVISERS ACT OF 1940
AS TO K.W. BROWN & COMPANY,
21ST CENTURY ADVISORS, INC., AND
K.W. BROWN INVESTMENTS, INC.

In the Matter of

K.W. Brown & Company,
21st Century Advisors, Inc.,
K.W. Brown Investments, Inc.,
Kenneth Brown, Wendy Brown,
and Michael Cimilluca, Jr.,

Respondents.

I.


II.

Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party prior to a hearing pursuant to the Commission's Rules of Practice, 17 C.F.R. § 201.100 et seq., and without admitting or denying the findings contained herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, and the findings contained in Section III.1-3 and III.6 below, which are admitted, the Settling Respondents consent to the entry of an Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(e) of the Investment Advisers Act of 1940 as to K.W. Brown & Company, 21st Century

[Signature]

[Name]

[Title]
Advisors, Inc., and K.W. Brown Investments, Inc. (“Order”) by the Commission containing the following findings and remedial sanctions set forth below.

III.

On the basis of this Order and the Settling Respondents’ Offer, the Commission finds that:


2. 21st Century, a Florida corporation, headquartered in Delray Beach, Florida, has been registered with the Commission as an investment adviser since 1985. Ken and Wendy Brown control 21st Century and own 100% of its stock.


5. More specifically, the Commission’s complaint alleged that beginning in September 2002, the Respondents profited, at the expense of clients who, through Ken Brown, held advisory accounts with 21st Century and Brown & Company, by allocating favorable trades to the proprietary account Cimilluca traded. Additionally, the complaint alleged the Respondents failed to implement policies and procedures to prevent this improper trading activity even though the Commission’s examination staff identified lax internal controls and numerous other violations, including breach of fiduciary duty and undisclosed conflicts of interest, as well as multiple books and records deficiencies.

6. On December 19, 2007, following a nine-day bench trial, the District Court entered a permanent injunction and final judgment against all Respondents, permanently enjoining them from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, Section 17(a) of the Securities Act of 1933 and Sections 206(1), 206(2), 207, 204 and Rules 204-1(a)(2) and 204-2(a)(8) of the Advisers Act. The Court also held the Respondents jointly and severally liable for disgorgement of $4,796,147 plus prejudgment interest. Additionally, the Court imposed a third-tier civil penalty of $4.5 million, collectively, on Brown & Company, 21st Century
and Brown Investments; $250,000 on Ken Brown; $250,000 on Cimilluca; and $100,000 on Wendy Brown.

7. The 71-page final judgment contained 136 paragraphs of factual findings and 26 pages of legal conclusions showing the Respondents violated the federal securities laws that served as the basis of the permanent injunction. The Court specifically found that from September 2002 through at least June 2006 the Respondents, knowingly or recklessly, engaged in a fraud upon the advisory clients of Brown & Company and 21st Century by using the discretionary authority Ken Brown exercised over the client accounts to allocate profitable trades to the proprietary trading account maintained by the advisers’ affiliated broker-dealer, Brown Investments, while allocating unprofitable trades to the advisers’ clients. This “cherry-picking” scheme netted the Respondents $4.5 million dollars in ill-gotten gains while passing more than $9 million of losses onto the unsuspecting advisory clients who had placed their trust and confidence in Ken Brown, Brown & Company and 21st Century.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in Settling Respondents’ Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(4) of the Exchange Act and Section 203(e) of the Advisers Act, the Settling Respondents’ registrations are hereby revoked.

For the Commission, by its Secretary, pursuant to delegated authority.

Florence E. Harmon
Acting Secretary