

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76242 / October 22, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16916

In the Matter of

JEFFREY A. KING,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934
AND NOTICE OF HEARING**

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 Jeffrey A. King (“Respondent” or “King”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. In late 2007, Respondent was an independent contractor for Garfield Taylor, Incorporated (“GTI”), a Maryland corporation with its principal office in Washington, DC, which purported to offer various services, including real estate development and construction, options trading and mortgage marketing. In this role, King made use of the means or instrumentalities of interstate commerce to promote GTI’s investments and solicit new investors in exchange for commission payments based on the amounts invested, but he was not registered as a broker or associated with a registered broker. In late 2007 and early 2008, Respondent and others conceived of and organized Gibraltar Asset Management Group, LLC (“GAM”), a Virginia limited liability company with its principal office in Washington, DC, which purported to be in the business of

investing in covered call options. King was GAM's President and Chief Operating Officer until February 2009. Respondent, 57 years old, is a resident of Upper Marlboro, Maryland.

B. ENTRY OF THE INJUNCTION

2. On September 28, 2015, a final judgment was entered by default against King, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") and Sections 15(a)(1) and 10(b) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Garfield Taylor, Incorporated, et al., Civil Action Number 1:11-cv-02054-RC, in the United States District Court for the District of Columbia.

3. The Commission's complaint alleged that, from late 2007 until February 2009, King assisted in the perpetration of an offering fraud and Ponzi scheme operated through GTI and GAM that defrauded over 130 investors, primarily middle-class residents and charitable organizations in the Washington, DC metropolitan area, of more than \$27 million.

4. The complaint alleged that King helped to persuade investors to invest in securities issued by GTI and assisted in the preparation and distribution of GAM's marketing materials to promote the sale of its securities, which were riddled with materially false and misleading statements. The alleged false and misleading statements included misrepresentations related to above-market rates of return and the safety of the investments. The complaint alleged, however, that investor funds were traded in a highly risky and speculative trading strategy, used to pay purported interest payments to other investors and make other improper payments, including \$62,893 to a company owned by King. The complaint also alleged that King received at least \$20,000 in an "owners distribution" after GAM had successfully solicited and received significant investor funds by means of the material misrepresentations. The complaint alleged that King promoted GTI's investments and solicited new investors in exchange for commission payments based on the amounts invested, but he was not registered as a broker or associated with a registered broker.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

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

Brent J. Fields
Secretary