

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83140 / May 1, 2018

INVESTMENT ADVISERS ACT OF 1940
Release No. 4901 / May 1, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18463

In the Matter of

KEVIN HAMILTON,

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 Kevin Hamilton (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, and 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 the 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. From December 1997 through 2014, Hamilton was associated with Philadelphia Brokerage Corporation, then a dually-registered investment adviser and broker-dealer located in Radnor, Pennsylvania. On May 28, 2014, Hamilton submitted a Letter of Acceptance, Waiver, and Consent to the Financial Industry Regulatory Authority ("FINRA") in which he consented to the imposition of a bar from association with any FINRA member in all capacities. Hamilton, age 61, is a resident of Wycombe, Pennsylvania.

2. On September 14, 2017, Hamilton pleaded guilty to two counts of securities fraud in violation of 15 U.S.C. §§ 78j(b), 78ff, and 17 C.F.R. § 240.10b-5, and 18 U.S.C. § 2, before the United States District Court for the Eastern District of Pennsylvania, in *United States v. Kevin Hamilton*, Case No. 2:16-cr-00397-JHS.

3. The counts of the criminal Information to which Hamilton pled guilty alleged, among other things, that Hamilton engaged in insider trading and sold securities through materially false and misleading statements. In particular, between November 2009 and February 2011, Hamilton was tipped material, nonpublic information about BMP Sunstone Corporation ("BMP Sunstone"), which he knew was in violation of a fiduciary duty to keep the information confidential. In addition, the Information also alleged that Hamilton tipped this material nonpublic information to others and traded on the basis of the material nonpublic information in accounts for his personal benefit and in the accounts of customers at Philadelphia Brokerage Corporation in advance of the public disclosure of the information. The Information also alleged that, between 2010 and 2014, Hamilton sold partnership units in 1041 Partners, L.P. ("1041 Partners"), a limited partnership that Hamilton controlled and marketed as an investment fund, by making materially false and misleading statements and omissions concerning, among other things, the use of investor proceeds, the company's profitability and the safety of the 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 Hamilton'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, that Respondent Hamilton be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Hamilton be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

Brent J. Fields
Secretary