

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 85010 / January 31, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18976**

**In the Matter of**

**BARRY M. KORNFELD,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934,**  
**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”) against Barry M. Kornfeld (“Kornfeld” or “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 paragraph B.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, 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. At all relevant times, Kornfeld, 55, was a resident of Parkland, Florida. Kornfeld, through FEK Enterprises, Inc., d/b/a First Financial Tax Group ("First Financial"), an entity he owned and controlled with his wife, acted as an unregistered broker or dealer by selling the securities of Woodbridge Group of Companies, Inc. ("Woodbridge"). Kornfeld is not currently registered with the Commission, FINRA or any state securities regulatory authority, nor was he during the time period relevant to the allegations contained herein. On September 9, 2009, a judgment was entered by consent against Kornfeld in *SEC v. William Betta, Jr., et al.*, No. 9:09-cv-80803-KAM (S.D. Fla. 2009), permanently enjoining him from future violations of the anti-fraud provisions of the Securities Act of 1933 ("Securities Act") and the Exchange Act. The Commission thereafter instituted settled administrative proceedings against him pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Investment Advisers Act of 1940, permanently barring Kornfeld from association with any broker, dealer, or investment adviser. *See In the Matter of Barry M. Kornfeld*, Exchange Act Rel. No. 62466 (July 7, 2010). In relation to the same misconduct, Kornfeld consented to the entry by FINRA of a permanent bar from association with any FINRA member in all capacities. *See FINRA Case No. 2007009594001* (Dec. 16, 2008).

2. On January 10, 2019, a final judgment was entered by consent against Kornfeld, permanently enjoining him from future violations of Sections 5(a) and 5(c) of the Securities Act and Sections 15(a)(1) and 15(b)(6)(B)(i) of the Exchange Act, in the civil action entitled *Securities and Exchange Commission v. Barry M. Kornfeld, et al.*, Civil Action Number 18-cv-23369-FAM, in the United States District Court for the Southern District of Florida. The final judgment also ordered Kornfeld, pursuant to Section 21(e) of the Exchange Act, to comply with the provisions of the Commission's July 7, 2010 Order permanently barring him from association with any broker, dealer, or investment adviser, and imposed a conduct based injunction against Kornfeld prohibiting him from directly or indirectly, including through any entity he owns or controls (1) participating in the issuance, offer, purchase or sale of any securities except for transactions involving his own personal brokerage account and (2) participating in the management, administration, supervision of, or otherwise exercising any control over, any commercial enterprise or project that issues, purchases or sells securities.

3. The Commission's complaint alleged that, among other things, between July 2014 and October 2017, Kornfeld, through First Financial, offered and sold Woodbridge securities. Neither First Financial, Kornfeld, nor Woodbridge were Commission-registered broker dealers, nor were they associated with Commission-registered broker dealers, and none of Woodbridge's securities offerings were registered with the Commission. Kornfeld sold investors two primary types of securities: (1) a twelve-to-eighteen month term promissory note bearing 5%-8% interest that Woodbridge described as First Position Commercial Mortgages ("FPCM"), and (2) seven different private placement fund offerings with five-year terms ("Fund Offerings"). For the FPCMs, Kornfeld, through First Financial, received a transaction based commission from Woodbridge equivalent to the difference of the 9% wholesale annual interest rate Woodbridge offered to First Financial and Kornfeld and the 5% to 8% annual interest First Financial and

Kornfeld offered to investors. For the Fund Offerings, Kornfeld, through First Financial, received a 5% sales commission that Woodbridge purposefully mischaracterized as a “marketing bonus,” to avoid the appearance of paying transaction based commissions. Kornfeld and his wife, through First Financial, received approximately \$3.7 million in transaction based commissions from Woodbridge earned as a result of raising more than \$60 million through the sale of Woodbridge securities to almost 500 investors.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Kornfeld’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent 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 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