

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
September 14, 2004

Administrative Proceeding
File No. 3-11650

In the Matter of	:	
	:	
Kenneth A. Orr,	:	ORDER INSTITUTING PUBLIC
	:	ADMINISTRATIVE PROCEEDINGS
	:	PURSUANT TO SECTION 15(b) OF
	:	THE SECURITIES EXCHANGE ACT
Respondent.	:	OF 1934
	:	
	:	
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I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted against Kenneth A. Orr (“Orr”) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

II.

After an investigation, the Division of Enforcement alleges that:

A. Orr, age 38, was a registered representative associated with a registered broker-dealer, J.J. Morgan & Co., a brokerage firm later known as First Cambridge Securities Corp. (“First Cambridge”), and was a registered principal and president of First Cambridge from March 1994 until May 23, 1997. First Cambridge was registered with the Commission as a broker-dealer pursuant to Section 15(b) of the Exchange Act during the period of Orr’s employment.

B. On November 10, 1999, the Commission commenced an action against Orr and sixteen other defendants, charging Orr with violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, in connection with the kickback scheme outlined in subparagraph II.C hereof. SEC v. Curtis, et al., 99 Civ. 7357 (E.D.N.Y.) (“Curtis”).

C. The Commission’s complaint alleged that, while employed at First Cambridge, Orr received undisclosed compensation for selling stock of ICIS Management Group, Inc. (f/k/a/

Alter Sales Co., Inc.), a Florida corporation, and Pilot Transport Inc., a Nevada corporation.

D. On January 3, 2002, Orr pleaded guilty to one count of conspiracy to launder money arising from the activities described herein. United States v. Orr, 01 CR 1019 (E.D.N.Y). On May 21, 2002, a judgment in the criminal case was entered against Orr. He was sentenced to three years of probation and ordered to pay a \$3,000 fine.

E. On September 13, 2002, the United States District Court for the Eastern District of New York entered a Final Judgment of Permanent Injunction and Other Relief as to Kenneth A. Orr in Curtis, permanently enjoining Orr from future violations of Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, ordering Orr to disgorge \$55,000 in ill-gotten gains, approximately \$44,000 in prejudgment interest, and post-judgment interest, and ordering Orr to pay a civil penalty of \$55,000.

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 pursuant to Section 15(b) of the Exchange Act, to determine:

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

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

IV.

IT IS HEREBY 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 200 of the Commission's Rules of Practice, 17 C.F.R. § 201.200.

IT IS FURTHER ORDERED that Orr 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 Orr fails to file the directed answer, or fails to appear at a hearing after being duly notified, Orr 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 Orr personally or by certified mail.

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.

Jonathan G. Katz
Secretary