

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 50459 / September 28, 2004**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11688**

**In the Matter of**  
  
**MARSHALL S. KLEIN**  
  
**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b)(6) OF**  
**THE SECURITIES EXCHANGE ACT OF**  
**1934**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest to institute public administrative proceedings pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934 (“Exchange Act”) against Marshall S. Klein (“Klein” or the “Respondent”).

Accordingly, IT IS ORDERED that public administrative proceedings pursuant to Section 15(b)(6) of the Exchange Act be, and hereby are, instituted.

**II.**

After an investigation, the Division of Enforcement alleges that:

A. Klein, age 43, is a registered representative (CRD 1314414) associated with World Trade Financial Corp., a registered broker-dealer located in San Diego, California.

B. On January 12, 2004, Klein pled guilty to one felony count of conspiracy to commit wire, mail and securities fraud. U.S. v. Klein, 03-CR-2654-JM (S.D. Cal.). On August 20, 2004, Klein was sentenced to three years of supervised probation.

C. The count of the criminal indictment to which Klein was convicted alleged, among other things, that between March and May 2001, Klein, while associated with Centex Securities, Inc., a registered broker-dealer, participated in a criminal conspiracy to affect artificially the supply and demand for and to inflate artificially the price of the publicly-traded securities of FoneCash, Inc.

D. Section 15(b)(6)(A)(ii) of the Exchange Act provides that the Commission may impose remedial sanctions upon any person associated with a broker or dealer, including barring such person from being associated with a broker or dealer, if it finds that such sanctions would be in the public interest and that such person has committed any act enumerated in certain subparagraphs of Section 15(b)(4) of the Exchange Act within the last ten years. The acts proscribed by the relevant subparagraphs of Section 15(b)(4) include conviction of any felony or misdemeanor that involves the purchase or sale of any security, or arises out of the conduct of the business of a broker or dealer.

E. Klein's conviction of a charge of conspiracy to commit wire, mail and securities fraud falls within the category of acts proscribed by the relevant subparagraphs of Section 15(b)(4), and occurred within the last ten years.

### III.

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

- A. Whether the allegations set forth in Section II of this Order are true and, in connection therewith, to afford Respondent Klein an opportunity to establish any defense to such allegations; and
- B. What, if any, remedial sanctions against Respondent Klein are appropriate and in the public interest, pursuant to Section 15(b)(6) of the Exchange Act.

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 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS HEREBY FURTHER ORDERED that Respondent shall file an answer to the allegations contained in this Order within twenty days after service upon him of this Order, as provided by Rule 220 of the Commission's Rules of Practice [17 C.F.R. § 201.220]. If the Respondent fails to file an answer or fails to appear at a hearing after being duly notified, he 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 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 prosecutorial functions in this or any factually related proceeding will be permitted to participate or advise in the decision upon 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.

By the Commission.

Jonathan G. Katz  
Secretary