In the Matter of: 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 Joseph W. Leighton ("Leighton").

II.

In anticipation of the institution of these proceedings, Leighton has submitted an Offer of Settlement ("Offer") that 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 Section III.3 below, which are admitted, Leighton 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 Leighton's Offer, the Commission finds the following:

1. Joseph W. Leighton, age 47, a resident of Garden City, N.Y., was an associated person with Knight Securities, L.P. (“Knight” or “Firm”), a registered broker-dealer, from June of 1996 through November of 2000. Leighton worked as an institutional sales trader at Knight and was a Senior Vice President. At all relevant times, Leighton held a Series 7 general securities license as well as Series 24, 55 and 63 licenses. He is not currently associated with any regulated entity.

2. On April 20, 2005, the Commission filed a civil action in the United States District Court for the District of New Jersey charging Leighton with violating Section 17(a) of the Securities Act of 1933 (“Securities Act”), Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5. Securities and Exchange Commission v. Joseph W. Leighton, Civil Action No. 05-02050. The Commission’s complaint alleged, among other things, that from January 1999 through November 2000, Leighton engaged in a pattern of deceptive trading that defrauded Knight’s institutional customers by filling certain institutional orders in a manner that generated excessively high profits for the Firm in violation of Knight’s duty to provide “best execution” for orders placed by its customers.

3. On May 5, 2005, the Court entered a final judgment against Leighton, that among other things, permanently enjoined him from violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5.

IV.

Based on the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions specified in Leighton’s Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Leighton be, and hereby is, barred from association with any broker or dealer;

Any reapplication for association by Leighton 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 Leighton, 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.

Jonathan G. Katz
Secretary