

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
December 16, 2011

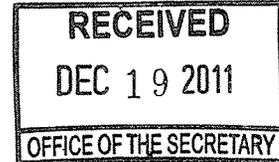
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ADMINISTRATIVE PROCEEDING
File No. 3-14458

In the Matter of

LEILA C. JENKINS,

Respondent.



**DIVISION OF ENFORCEMENT'S OPPOSITION
TO MOTION FOR SUMMARY DISPOSITION
OF RESPONDENT LEILA C. JENKINS.**

The Division of Enforcement ("Division") hereby opposes Respondent Leila C. Jenkins' ("Jenkins" or "Respondent") motion for summary disposition.

ARGUMENT

I. Jenkins' Motion Should Be Denied.

The Administrative Law Judge ("ALJ") should deny Jenkins' motion for summary disposition because the issues set forth therein are not the subject of this proceeding. The Order Instituting Proceedings ("OIP") in this matter (attached hereto as Exhibit A) alleges that a judgment has been entered against Jenkins in the civil action entitled Securities and Exchange Commission v. Locke Capital Management, Inc., and Leila C. Jenkins, Case No. 09-100-S (D.R.I.), and that, based on the injunction provisions in that judgment, sanctions against Jenkins are appropriate and in the public interest in this proceeding. In order to prevail in this proceeding, the Division need only establish the allegations in the OIP, i.e., that an injunction in fact was entered against Jenkins and that sanctions against her are appropriate and in the public

interest under the pertinent legal standard and precedents. In its motion for summary disposition (filed on December 7, 2011), the Division explained how it has met the foregoing criteria.

As the Division pointed out in its motion for summary disposition, Jenkins is precluded from attempting to re-litigate in these proceedings the findings of facts and conclusions of law in the district court action, which is exactly what her motion for summary disposition sets out to do. It is well-established that the doctrine of collateral estoppel prevents Jenkins from “challenging in this administrative proceeding the decisions of the district court in the injunctive proceeding. The doctrine of collateral estoppel precludes the [hearing officer] from reconsidering the injunction as well as factual and procedural issues that were actually litigated and necessary to the court’s decision to issue the injunction. The appropriate forum for [respondent’s] challenge to the validity of the injunction and the district court’s evidentiary rulings is through an appeal to the United States Court of Appeals” James E. Franklin, Exchange Act Rel. No. 56649, 91 S.E.C. Docket 2708, 2713 & n.13 (Oct. 12, 2007) (Commission finding that respondent could not challenge validity of judgment and evidentiary rulings of district court, rejecting respondent’s arguments concerning alleged misconduct by Division staff, and ordering sanctions). See also Currency Trading International, Inc., et al., Initial Decision Rel. No. 263, 83 S.E.C. Docket 3008 (Oct. 12, 2004) (ALJ rejecting respondent’s argument that district court’s factual findings were not specific enough, holding that entry of antifraud injunction was sufficient, and granting Division’s motion for summary disposition in follow-on proceeding based on entry of injunction).

Because all of the substantive contentions that Jenkins makes in her motion for summary disposition are attempts to challenge the district court findings, and thus are not permitted in this context, the Division declines to address Jenkins’ assertions in detail. However, the Division

will briefly state why it believes each of Jenkins' contentions is irrelevant to the current proceedings.

Specifically, Jenkins asserts the following, to which the Division responds as follows:

1. That "The Administrative Proceeding (AP) lacks any Basis or Foundation [sic]." Jenkins motion, at p. 1. To support this contention, Jenkins makes arguments as to why the Division had no basis for filing the Complaint in the district court action, but Jenkins makes no arguments as to whether this proceeding has any basis or foundation. For example, nowhere does Jenkins dispute the fact that a judgment was entered against her in the district court action or that the contents of that judgment are as the Division represents them to be. Jenkins also does not address whether the sanctions the Division is requesting in this proceeding are appropriate or in the public interest. As noted above, these are the only issues in this proceeding, and Jenkins' motion for summary disposition does not address these issues at all.
2. That there was "Extensive Prosecutorial Misconduct" in the district court action. Jenkins motion, at p. 2. Here, Jenkins complains about the supposed lack of service and withholding of data in the district court action. These issues are not relevant to this proceeding and have already been addressed by the Court in the district court action (as reflected in the exhibits to the Division's Appendix in support of its motion for summary disposition).
3. That there was a "malicious withholding of requested evidence" by the Division in the district court action. Jenkins motion, at p. 4. Again, the question of how the parties conducted the district court action is not at issue here (and, to the extent it was relevant to the district court action, it has already been addressed by the Court in that action).
4. That "Gross misrepresentation of facts established during investigation and discovery in the former [district court] case caused Judge Smith to come to erroneous

conclusions.” Jenkins motion, at p. 6. Whether the judge in the district court action came to any erroneous conclusions is not the subject of this proceeding but, rather, a matter for the First Circuit Court of Appeals to decide in the pending appeal of the district court action.

5. That the Division provided “Altered Assets under management (AUM) [sic] data [in the district court case that] caused Judge Smith to come to a further negative conclusion.” Jenkins motion, at p. 8. Again, whether the Court came to any erroneous conclusions in the district court action is the subject of the pending appeal of that action and not of this proceeding.

6. That “Dishonest and fraudulent evidence [was] created by two former employees of Locke and provided to the [Division] during its investigation of Locke.” Jenkins motion, at p. 10. The nature and strength of the Division’s evidence in the district court action already has been decided by the judge in that action and is not the subject of this proceeding.

7. That “All departments of the SEC are fully aware of the many recordkeeping requirements imposed on Investment Advisors and the only ever routine exam of Locke undertaken in 2008 did not reveal any deficiencies in this area [sic].” Jenkins motion, at p. 11. Without even addressing whether this statement is true, again, this contention goes to whether Jenkins was properly found liable in the district court action of violations of various provisions of the federal securities laws, and that is not what is at issue in this proceeding.

8. That the Division “misrepresented a number of other facts about Locke” in the district court action. Jenkins motion, at p. 13. Again, as noted above, the quality of the Division’s evidence in the district court action already has been decided by the judge in that action and is not the subject of this proceeding.

9. That the “Federal District Court was Misled [sic].” Jenkins motion, at p. 14.

Here, Jenkins rehashes the supposed lack of service of, and other purported deficiencies in, the Complaint in the district court action. These topics are not relevant to this proceeding.

In addition to their utter irrelevance, Jenkins cites no legal authority to support the propositions in her motion. Jenkins also makes no additional arguments in her motion. Significantly, as noted above, nowhere in her motion does Jenkins dispute the fact of the entry of the injunction against her in the district court action. Jenkins also does not make any argument as to the propriety of sanctions against her in this proceeding. Therefore, Jenkins’ motion is completely off-point and should be denied.

II. Jenkins’ Motion Should Be Rejected.

Alternatively, pursuant to Rule 180(b) of the Commission’s Rules of Practice (“Rules”), 17 C.F.R. § 201.180(b), the Division requests that the ALJ reject Jenkins’ motion for summary disposition because of her failure to comply with the Rules, and in particular her failure properly to serve her motion for summary disposition under Rule 150, 17 C.F.R. § 201.150. Rule 150 provides for several methods of service, including fax and mail. The Certificate of Service for Jenkins’ motion for summary disposition represented that service would be made via mail and email. Despite that certification, the Division received Jenkins’ motion via email only. Email is not an acceptable method of service under Rule 150. To date, the Division has not received Jenkins’ motion by mail. Therefore, it is the Division’s position that Jenkins’ motion has not been properly served, that the Division is not obligated to respond to it, and that the ALJ is not obligated to consider it and should strike it from the record. To the extent that the ALJ does not reject Jenkins’ motion or provides her with leave to re-file and re-serve the motion, and/or to the

extent the ALJ requests or requires a response to the substantive arguments in Jenkins' motion, the Division requests additional time to respond.

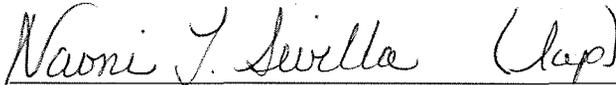
CONCLUSION

For the foregoing reasons, the Division respectfully requests that the ALJ deny or reject Jenkins' motion for summary disposition.

Respectfully submitted,

DIVISION OF ENFORCEMENT

By its attorneys,

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Dated: December 16, 2011

EXHIBIT A

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64849 / July 8, 2011

INVESTMENT ADVISERS ACT OF 1940
Release No. 3235 / July 8, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14458

In the Matter of

LEILA C. JENKINS,

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
AND NOTICE OF HEARING**

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 Leila C. Jenkins (“Respondent” or “Jenkins”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. From March 1997 through March 2009, Jenkins was the sole owner, president, chief executive officer, and chief investment officer of Locke Capital Management, Inc. (“Locke”), an investment adviser registered with the Commission. For a portion of the time in which she engaged in the conduct underlying the complaint described below, Jenkins was also a registered representative associated with a broker-dealer registered with the Commission.

B. ENTRY OF THE INJUNCTION

2. On June 30, 2011, a final judgment was entered against Jenkins, permanently enjoining her from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 207 of the Advisers Act, and from aiding and abetting violations of Sections 204 and 206(4) of the Advisers Act and Rules 204-2(a)(6), (8), (10), (15) & (16) and 206(4)-1(a)(5) thereunder, in the civil action entitled Securities and Exchange Commission v. Locke Capital Management, Inc. and Leila C. Jenkins, Civil Action Number 1:09-CV-00100-S, in the United States District Court for the District of Rhode Island.

3. The Commission's complaint in the foregoing action alleged that, from at least 2003 until 2009, Jenkins repeatedly misrepresented the nature and amount of Locke's assets under management to clients and prospective clients and in sworn public statements filed with the Commission, and otherwise engaged in a variety of conduct that operated as a fraud and deceit on investors, as follows. First, Jenkins falsely reported to investors that Locke managed over \$1 billion in assets for a client in Switzerland, but the client did not exist, and Locke's real assets under management were one-tenth of that amount. Jenkins also fabricated investment performance returns, including for years when Locke had no clients and was not managing any assets. Finally, to perpetuate her scheme and conceal her deceptions, Jenkins lied to regulators about the existence of the Swiss client and other matters concerning Locke's business.

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 to determine:

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

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

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

IV.

IT IS 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 FURTHER ORDERED that Respondent 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.

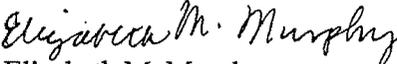
If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 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 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.


Elizabeth M. Murphy
Secretary