

the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

Kenneth Eugene Marsh entered the securities industry in December 1994, when he registered with an NASD member firm. He subsequently associated with numerous other NASD member firms before registering with Salomon Grey Financial Corporation in August 2003. Marsh's employment with Salomon Grey ended on April 13, 2005. Since then, he has not re-associated with another member firm. Marsh obtained Series 62 and 63 securities licenses during his career in the securities industry.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

First Cause

Marsh incorporated an entity by the name of Warwick Investments, Inc. (Warwick) in June 2000.

On or about June 17, 2002, March 21, 2003, February 4, 2004 and January 31, 2005, Warwick filed annual reports with the Florida Secretary of State that listed Marsh as the president of Warwick.

During the period from at least December 2002 to December 2004, Marsh acted as an "investment broker" through an entity by the name of Warwick Capital Markets (WCM).

Marsh never provided notice, written or otherwise, to Salomon Grey regarding his outside business activities through Warwick and/or WCM.

On or about August 4, 2003, and again on or about February 17, 2004, Marsh indicated on Salomon Grey compliance forms entitled "Outside Business Activities – Policy & Agreement," that he was not engaged in and had no intent to engage in any outside business activities.

Second Cause

By letter dated June 2, 2005, NASD staff requested, pursuant to Rule 8210, that Marsh provide information regarding the above-described outside business activities. The letter was sent via regular and certified mail to Marsh at his CRD address of record: [REDACTED]

[REDACTED] (CRD address), and requested a response from him by June 16, 2005.

The certified mail receipt card for the June 2nd letter was returned to the district office on June 10, 2005, signed by "Kenneth Marsh." The letter sent via regular mail was not returned to the district office.

By letter dated June 27, 2005, the staff again requested, pursuant to Rule 8210, that Marsh provide the previously requested information. The letter was sent via regular and certified mail to Marsh at his CRD address, and requested a response by July 11, 2005.

The certified mail receipt card for the June 27th letter was returned to the district office on July 6, 2005, with an illegible signature. The letter sent via regular mail was not returned to the district office.

On July 6, 2005, the staff also received a letter from Marsh's attorney indicating that Marsh was "interested in assisting" the staff regarding its inquiries, and directing the staff to contact the attorney.

By letter dated July 6, 2005, the staff sent a request, pursuant to Rule 8210, via regular and certified mail, to Marsh at his CRD address, and copied his attorney. The letter directed Marsh to provide the information requested in both the June 2nd and June 27th letters by July 13, 2005.

On July 13, 2005, the staff received correspondence from Marsh's attorney which indicated that Marsh was gathering the information requested by the staff; however he would be unable to comply with the July 13, 2005 deadline.

The certified receipt card from the July 6th letter was returned to the district office on July 21, 2005, with an illegible signature. The letter sent via regular mail was not returned to the district office.

By letter dated July 15, 2005, the staff sent another request, pursuant to Rule 8210, via regular and certified mail, to Marsh at his CRD address, and copied his attorney. The letter directed Marsh to provide the information previously requested in its June 2nd, June 27th and July 6th letters.

On July 18th, 2005 (July 18th response) the staff received a partial response from Marsh.

The certified receipt card from the July 15th letter was returned to the district office on July 25, 2005, and contained the signature of "K. Marsh." The letter sent via regular mail was not returned to the district office.

By letter dated July 22, 2005, the staff sent a request, pursuant to Rule 8210, via regular and certified mail, to Marsh at his CRD address. The letter requested that Marsh provide the information not included in the July 18th response. The July 22nd letter included a request for bank statements for the period January 2003 through December 2004. A response to the letter was due by August 5, 2005.

On July 26, 2005, the staff received a letter from Marsh's attorney indicating receipt of the July 22nd letter, and stating that his client did "not believe a wholesale production of bank records is appropriate."

The certified receipt card from the July 22nd letter was returned to the district office on August 1, 2005, and contained the signature of "Kenneth Marsh." The letter sent via regular mail was not returned to the district office.

Marsh never provided all of the information requested by NASD staff including bank records needed to verify Marsh's receipt of compensation in connection with his activities described in the first cause of action.

Based on the foregoing, Respondent violated NASD Conduct Rules 2110 and 3030, as alleged in the First Cause of Action, and NASD Conduct Rule 2110 and NASD Procedural Rule 8210, as alleged in the Second Cause of Action.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be barred from association from any NASD member in any capacity.

Pursuant to IM-8310-2(f), a bar or expulsion shall become effective upon approval or acceptance of this Order by the NAC.

SO ORDERED.

NASD

By: Karen E. Whitaker
Karen E. Whitaker
Regional Counsel

on behalf of the Director of ODA, pursuant to
delegated authority