

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**February 3, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12170**

**In the Matter of**

**N2K TRADING ACADEMY, INC.,**

**Respondent.**

**ORDER INSTITUTING PUBLIC  
ADMINISTRATIVE  
PROCEEDINGS PURSUANT  
TO SECTION 203(c)(2)(B) 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 203(c)(2)(B) of the Investment Advisers Act of 1940 (“Advisers Act”) against N2K Trading Academy, Inc. (“N2K” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

- A. N2K is a Wyoming corporation with its principal place of business in Birmingham, Alabama.
- B. On December 21, 2005, N2K filed an application on Form ADV with the Commission for registration as an investment adviser. In its application, N2K listed Terry Harris (“Harris”) as its President, as a director, and as the owner of at least a seventy-five percent interest in N2K. Based upon his positions and ownership interest, Harris is a “person associated with” N2K as that term is defined in Section 202(a)(17) of the Advisers Act.
- C. Were N2K to be registered as an investment adviser, its registration would be subject to suspension or revocation under Section 203(e) of the Advisers Act.
- D. On June 10, 2003, the State of Alabama Securities Commission issued a Cease and Desist Order against Harris, among other respondents, entitled In the Matter of Terry Harris, et al., No. CD-2003-0012 (“Alabama Final Order”). The Alabama Securities Commission is a state securities commission. The Alabama Final Order is final. The Alabama Final Order bars Harris

from engaging in the business of securities, and is based on a violation of a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct.

E. On August 18, 2004, the Illinois Securities Department issued a Consent Order of Prohibition and Fine against Harris, among other respondents, entitled In the Matter of Networker2000 a/k/a N2K, Wealth Builders International, Their Officers, Directors, Employees, Affiliates, Successors, Agents and Assigns, and Terry Harris, File No. 0300182 (“Illinois Final Order”). The Securities Department of the Illinois Secretary of State is a state securities commission or an agency performing like functions. The Illinois Final Order is final. The Illinois Final Order bars Harris from engaging in the business of securities.

F. On January 27, 2005, Harris pleaded guilty to and was adjudicated guilty of one count of transacting business as an investment adviser representative without first having been so registered, a violation of Section 8-6-3(b) of the Code of Alabama 1975, before the Circuit Court of Montgomery County, Alabama, in State of Alabama v. Terry Harris, Case No. CC-2004-001289.00. On April 28, 2005, Harris was sentenced to, among other things: a prison term of five years (suspended); five years supervised probation; and restitution of \$1.6 million.

### **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 are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations; and

B. Whether the pending application of N2K for registration as an investment adviser should be denied pursuant to Section 203(c)(2)(B).

### **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 it 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 120 days from the date of the filing of N2K's application for registration as an investment adviser, December 21, 2005, pursuant to Section 203(c)(2)(B) of the Advisers Act.

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.

By the Commission.

Nancy M. Morris  
Secretary