

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 3326 / November 29, 2011**

**INVESTMENT COMPANY ACT OF 1940**  
**Release No. 29877 / November 29, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14649**

**In the Matter of**

**HANES MORGAN & CO.,  
INC.**

**and**

**UCHE AKWUBA,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE  
AND CEASE-AND-DESIST PROCEEDINGS,  
PURSUANT TO SECTIONS 203(e), 203(f)  
AND 203(k) OF THE INVESTMENT  
ADVISERS ACT OF 1940, and SECTION 9(b)  
OF THE INVESTMENT COMPANY ACT OF  
1940, MAKING FINDINGS, AND IMPOSING  
REMEDIAL SANCTIONS AND A CEASE-  
AND-DESIST ORDER.**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Hanes Morgan & Co., Inc. (“Hanes Morgan”) and Uche Akwuba (“Akwuba”) (together, “Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (the “Offer”) which 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 them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

### III.

On the basis of this Order and Respondents' Offer, the Commission finds that:

#### A. SUMMARY

1. Hanes Morgan & Co., Inc. is a Brooklyn, New York based investment adviser doing business as Mega Trakker Endowments ("Mega Trakker"), and Akwuba is Hanes Morgan's sole employee and principal. Between July 29 and November 29, 2010, Hanes Morgan was registered with the Commission as an investment adviser.

2. At all relevant times, Hanes Morgan's website, [www.megatrakker.com](http://www.megatrakker.com), falsely claimed that it owned trading platforms located in major American banks, that it had a staff of "professional stock traders," and that its trading was "consistently successful" because of a "scientific" trading system called ChenTrak, which was able to "deliver a guaranteed growth rate of 10% a year, compounded."

3. Via the website, Respondents solicited potential clients to open a "Wall Street Savings Account" for a minimum initial investment of \$2,150. In exchange, they promised potential investors their funds would be invested using ChenTrak. According to the Mega Trakker website, these accounts would "achieve a stated growth rate, even if the stock market goes down." Respondents also told potential investors that "[t]he money and its compounded growth, regardless of total size, are guaranteed 100% safe."

4. At all times, Akwuba controlled the Mega Trakker website and was personally responsible for its content.

5. Respondents' statements on their website were false and misleading. Among other things, Hanes Morgan had no traders other than Akwuba, and ChenTrak was not based on science and could not provide 10% guaranteed risk-free returns. In addition, Respondents did not identify Akwuba by name, nor did they disclose Akwuba's 1998 wire fraud conviction or his 1991 bar from association with any NASD member firm.

6. By virtue of the conduct described herein, Hanes Morgan willfully violated Sections 206(1), 206(2) and 206(4) of the Advisers Act, and Rules 206(4)-1(a)(3), 206(4)-1(a)(5)

and 206(4)-4(a)(2) thereunder, and Akwuba willfully violated Sections 206(1) and 206(2) of the Advisers Act and willfully aided and abetted and caused Hanes Morgan's violations.

## **B. RESPONDENTS**

7. Hanes Morgan, d/b/a Mega Trakker Endowments, is a Wyoming corporation with its place of business in Brooklyn, New York. Between July 29 and November 29, 2010, Hanes Morgan was registered as an investment adviser pursuant to Section 203(a) and Rule 203A-2(d) of the Advisers Act.

8. Akwuba, age 73 and a resident of Brooklyn, New York, is Hanes Morgan's principal. In 1998, Akwuba was convicted of conspiracy to commit wire fraud and to transport money interstate and was sentenced to 46 months imprisonment followed by three years supervised release, and ordered to pay \$2,150,000 restitution. In 1991, Akwuba was fined \$20,000 and barred from association with any member of the NASD.

## **C. FACTS**

9. From at least 2010, Respondents publicly solicited potential clients on the internet concerning their investment advisory services. Respondents invited potential clients to open a "Wall Street Savings Account" at Hanes Morgan for a minimum initial investment of \$2,150. In exchange, they promised potential investors their funds would be invested using its purported trading system, ChenTrak.

10. The company's website, [www.megatrakker.com](http://www.megatrakker.com), claimed that Hanes Morgan owned trading platforms located in major American banks, that it had a staff of "professional stock traders," and that its trading was "consistently successful" because ChenTrak was able to "deliver a guaranteed growth rate of 10% a year, compounded." According to the website, ChenTrak was a "scientific" system, "developed by a brilliant mathematician," and is "market tested and proven." Also according to the website, investor accounts would "achieve a stated growth rate, even if the stock market goes down" and that "[t]he money and its compounded growth, regardless of total size, are guaranteed 100% safe."

11. The Mega Trakker website claimed that Hanes Morgan had a staff of professional stock traders. The website showed photographs of people working at computer screens, handing charts to each other and making telephone calls. These statements and photos falsely represented Hanes Morgan as a substantial trading organization. In fact, Hanes Morgan was a one-person shop, and Akwuba was its only trader.

12. Contrary to Respondents' claim that Hanes Morgan was a Wall Street firm with trading platforms at banks, Hanes Morgan and its trading platform were located at Akwuba's residence in Brooklyn.

13. Contrary to Respondents' claim, ChenTrak is not a scientific system developed by a "brilliant mathematician." In fact, ChenTrak is nothing more than Akwuba's intuition regarding

investment decisions. Akwuba is the so-called mathematician who purportedly developed ChenTrak. Akwuba has no specialized math training, and in any event, his intuition does not employ any math skills.

14. On their website, Respondents never identified Akwuba by name and did not disclose Akwuba's criminal conviction or NASD bar.

15. ChenTrak was not market-tested to achieve a guaranteed 10% return without risk. Rather, Respondents' testing consisted of back testing a dummy account. That is, Akwuba chose a time in the past, claimed he would have selected stocks that had increased in value over a certain period, and calculated how well those stocks performed. Respondents did not disclose this explanation on their website.

#### **D. VIOLATIONS**

16. As a result of the conduct described above, Hanes Morgan willfully violated Sections 206(1), 206(2) and 206(4) of the Advisers Act, and Rules 206(4)-1(a)(3), 206(4)-1(a)(5) and 206(4)-4(a)(2) thereunder, and Akwuba willfully violated Sections 206(1) and 206(2) of the Advisers Act and willfully aided and abetted and caused Hanes Morgan's violations. Rule 206(4)-1(a)(3) prohibits any registered investment adviser, directly or indirectly, to represent "that any graph, chart, formula or other device being offered can in and of itself be used to determine which securities to buy or sell, or when to buy or sell them." Rule 206(4)-1(a)(5) prohibits any registered investment adviser, directly or indirectly, "to publish, circulate or distribute any advertisement ... which contains any untrue statement of a material fact, or which is otherwise false or misleading." Rule 206(4)-4(a)(2)<sup>1</sup>, prohibits any investment adviser to fail to disclose "a legal or disciplinary event that is material to an evaluation of the adviser's integrity or ability to meet contractual commitments to clients."

#### **IV.**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offer.

Accordingly, pursuant to Sections 203(e), 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

- A. Respondents Hanes Morgan and Akwuba shall cease and desist from committing or causing any violations and any future violations of Sections 206(1), 206(2), and 206(4) and Rule 206(4)-1 promulgated thereunder.

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<sup>1</sup> Rule 206(4)-4 was withdrawn by Release No. IA-3060 (July 28, 2010) (effective October 12, 2010). Accordingly, this Order constitutes a finding that Respondents violated this Rule, but does not order them to cease and desist from violating the Rule.

B. Respondent Akwuba be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

C. Respondent Hanes Morgan is censured.

D. Any reapplication for association by Akwuba 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 the Respondent, 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.

E. Hanes Morgan shall, within ten days of the entry of this Order, pay a civil money penalty in the amount of \$100,000 to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Securities and Exchange Commission, Office of Financial Management, 100 F St., NE, Stop 6042, Washington, DC 20549; and (D) submitted under cover letter that identifies Hanes Morgan as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Andrew Calamari, Associate Regional Director, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, New York, NY 10281.

F. Akwuba shall, within ten days of the entry of this Order, pay a civil money penalty in the amount of \$100,000 to the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. 3717. Such payment shall be: (A) made by wire transfer, United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Securities and Exchange Commission, Office of Financial Management, 100 F St., NE, Stop 6042, Washington, DC 20549; and (D) submitted under cover letter that identifies Akwuba as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Andrew Calamari, Associate Regional

Director, Division of Enforcement, Securities and Exchange Commission, 3 World Financial Center, New York, NY 10281.

By the Commission.

Elizabeth M. Murphy  
Secretary