

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

INVESTMENT ADVISERS ACT OF 1940  
Release No. 2480 / February 3, 2006

Administrative Proceeding File No. 3-12171

**IN THE MATTER OF TERRY HARRIS**

The Commission issued an Order Instituting Public Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”), and Notice of Hearing (“Order”) against Terry Harris (“Harris”).

The Division of Enforcement (“Division”) alleges in the Order that Harris, a resident of Birmingham, Alabama, is the President, director, and owner of at least a seventy-five percent interest in N2K Trading Academy, Inc. (N2K). On December 21, 2005, N2K, based in Birmingham, Alabama, filed an application on Form ADV with the Commission for registration as an investment adviser. 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.

The Division further alleges that Harris is the subject of a final order of the Alabama Securities Commission which bars him from engaging in the business of securities, and which is based on a violation of a law or regulation that prohibits fraudulent, manipulative, or deceptive conduct, as well as a final order of the Illinois Securities Department which bars him from engaging in the business of securities. In addition, the Division alleges that, 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 Alabama law.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the Order are true, to provide Harris with an opportunity to respond to the allegations, and to determine what remedial action, if any, is appropriate against Harris in the public interest. The Order requires the Administrative Law Judge to issue an initial decision no later than 210 days from the date of service of the Order, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice.