

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3375 / February 23, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14769

In the Matter of

JON EDWARD HANKINS,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

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(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jon Edward Hankins (“Hankins” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has 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 him and the subject matter of these proceedings, and the findings contained in Paragraph III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. From October 2009 through April 2010, Hankins, who purported to be a successful investment professional, raised and attempted to raise investment funds from investors, brokers and others, based on false pretenses. Hankins purported to do business under the names of at least two companies he founded and controlled, Christian Financial Brotherhood ("CFB") and Banker's Trust and Annuity ("BTA"). Hankins is a resident of Knoxville, Tennessee.

2. Hankins represented, among other things, that his company, BTA, managed over \$100 million in assets and that the funds were, and had been for a substantial time, maintained at the investment banking firm The Goldman Sachs Group, Inc. ("Goldman Sachs") as custodian. Hankins further represented that he was making profitable returns in what he referred to as the BTA Strategic Arbitrage Fund. Hankins represented to investors and potential investors that he would be compensated by receiving a percentage of fund profits. Hankins helped create and utilized solicitation materials for the BTA Strategic Arbitrage Fund, including a brochure claiming that the fund as of approximately November 2009 had assets under management of approximately \$32 million. The brochure also falsely identified several individuals as supposed directors or partners of the fund, including the son of a former U.S. cabinet secretary and certain supposed former high-ranking military officials. In fact, Hankins engaged in little, if any, substantial investment operations, and was not managing a multi-million dollar investment fund through any accounts at Goldman Sachs or any other firm. BTA and CFB were in fact companies that Hankins set up on paper during the course of this scheme. Hankins initiated this investment scheme while serving a sentence of imprisonment, in home confinement, for a previous federal securities fraud conviction. While Hankins made representations about his education and professional background, he failed to disclose to investors his criminal conviction or the fact that he was still serving his sentence while soliciting investment funds.

3. On June 13, 2011, Hankins pled guilty to three counts of wire fraud in violation of Title 18 United States Code, Sections 1343 and 2 before the United States District Court for the Northern District of Georgia, in United States v. Jon Edward Hankins, Crim. Indictment No. 1:10-CR-432.

4. The counts of the criminal information to which Hankins pled guilty alleged, inter alia, that Hankins, did knowingly and willfully devise and intend to devise and execute a scheme and artifice to defraud others, of money and property, by means of materially false and fraudulent pretenses, representations, and promises, and by the omission of material facts.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, that Respondent Hankins be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal adviser, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent 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.

By the Commission.

Elizabeth M. Murphy
Secretary