

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77439 / March 24, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17179

In the Matter of

PHILIP AKEL,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Philip Akel (“Akel” 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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2. and III.3. below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, 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. Akel was a registered representative ("RR") at The Thornwater Company, L.P. ("Thornwater") from 2000 to 2002. Akel next was an RR at Sky Capital LLC (now known as Granta Capital Group LLC) ("Sky Capital"), a New York-based broker-dealer, from 2002 to 2006. Akel, 49 years old, is a resident of Millstone Township, New Jersey. Respondent participated in an offering of Sky Capital's affiliates stock, which was a penny stock.

2. On September 16, 2014, Akel's guilty plea was accepted in United States v. Philip Akel, 09-cr-659 (S.D.N.Y.), to a three count felony information including conspiracy to commit securities fraud, mail fraud and wire fraud, in violation of 15 U.S.C. §§ 78j(b) and 78ff, and 17 C.F.R. § 240.10b-5; and 18 U.S.C. §§ 1341 and 1343; and securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff, and 17 C.F.R. § 240.10b-5. On September 16, 2014, a judgment in the criminal case was entered against Akel. His co-conspirators were charged separately in U.S. v. Mandell, et al., 09-cr-662 (SDNY) (PAC) and United States v. McKyle Clyburn, 09-cr-598 (SDNY) (PAC). He was sentenced to time served and 2 years of supervised release. Akel was also ordered to make restitution in the amount of \$24,880,460 on a joint and several basis with his co-conspirators; forfeiture of \$50,000,000 on a joint and several basis with his co-conspirators; and a special assessment of \$300.

3. The counts of the criminal information to which Akel pleaded guilty alleged, inter alia, that from at least in or about the fall of 2000 through in or about August 2006, Akel and his co-conspirators participated in a securities fraud scheme through Thornwater and Sky Capital. The criminal information alleged that Akel and his co-conspirators carried out this scheme by soliciting millions of dollars from investors under false pretenses, manipulating the market for certain affiliated companies' stocks, failing to use investors' funds as promised, and misappropriating and converting investors' funds without their knowledge. The criminal information alleged that in furtherance of this scheme, Akel and his co-conspirators used material misrepresentations and omissions to cause individuals to invest in a series of purported investment opportunities, including private placements. The criminal information also alleged that Akel and his co-conspirators obtained millions from investors through their fraudulent scheme. The criminal information further alleged that Akel and his co-conspirators used those funds to enrich themselves and to pay undisclosed commissions to brokers.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that:

Respondent Akel be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent.

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Akel be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by 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.

Brent J. Fields
Secretary