

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 81711 / September 25, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-18209

In the Matter of

**Hui Feng and Law Offices of
Feng & Associates, P.C.,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Hui Feng (“Feng”) and Feng & Associates, P.C. (“Feng & Assocs.”) (collectively “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

1. Feng, age 45, resides in Flushing, New York. He received a JD degree from Columbia Law School in 1997 and a MBA degree from Dartmouth’s Tuck School of Business in 2003. He has been admitted to practice law in New York since 1998. After business school, Feng worked as a hedge fund analyst for a year before starting his own law firm. In September 2010, Feng was suspended from practicing law in New York for six months because of professional misconduct in handling escrowed client funds. Based on this suspension, the U.S.

Department of Justice Executive Office for Immigration Review also suspended Feng from practicing before immigration tribunals for a six-month period beginning in April 2011. Between 2010 and until approximately August 2015, Feng was the principal of Opto Global Macro LLC, an NFA-registered Commodity Pool Operator that withdrew its NFA registration effective as of August 31, 2015. Feng controlled Opto Global's brokerage accounts and traded futures in these accounts through October 2014 when the fund began winding down its operations. Feng has never been registered with the SEC in any capacity.

Feng & Assocs., a New York professional corporation, was incorporated in October 2011 and has its principal place of business in Flushing, New York. Feng is the primary attorney at this law firm, which focuses on immigration work. Feng & Assocs. has never been registered with the SEC in any capacity.

2. On August 10, 2018, following the district court's grant of the Commission's motion for summary judgment, a final judgment was entered against Respondents, permanently enjoining them from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Hui Feng, et al., Civil Action Number 2:15-cv-09420-CBM-Ss, in the United States District Court for the Central District of California.

3. The Commission's complaint alleges that Feng, a New York-based immigration attorney, and his law firm, Feng & Assocs., acted as unregistered brokers in connection with offerings under the U.S. Citizenship and Immigration Service ("USCIS") EB-5 Immigrant Investment Program. From at least 2011 through 2015, Respondents represented clients seeking to obtain legal U.S. residency through investments in EB-5 offerings. These clients paid legal fees for the immigration services performed by Feng and his law firm. In addition to these legal fees, Respondents or their nominees received at least \$1,168,000 in transaction-based compensation from five EB-5 issuers for referring dozens of clients to invest in the issuers' EB-5 offerings. Respondents are also contractually entitled to receive at least \$3,100,000 in additional commissions from the EB-5 issuers for the referral of scores of additional clients once USCIS approves the clients' petitions for conditional residency. The Commission's complaint further alleges that Respondents defrauded their clients by failing to disclose their receipt of referral fees from the EB-5 issuers, in breach of their fiduciary duties and ethical obligations as attorneys to disclose all financial conflicts of interest to their clients. Feng also defrauded the EB-5 issuers whose offerings he marketed by using overseas nominees to receive his transaction-based compensation and falsely representing to the EB-5 issuers that the nominees were overseas agents who were responsible for finding investors. In reality, the overseas commission recipients consisted of Feng's friends, Feng's relatives, and an off-shore entity Feng controlled, none of whom played any role in finding investors.

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

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act; and

C. Whether, pursuant to Section 15(b) of the Exchange Act, it is appropriate and in the public interest to suspend or bar Respondent from participating in any offering of 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.

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 him 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 as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary