

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 51475 / April 5, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-11881

In the Matter of

JESS L. MERCER,

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 Jess L. Mercer (“Mercer” 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 Section III.2 below, which are admitted, Respondent 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. For the period of September 2001 through October 2003, Mercer was associated with an unregistered broker-dealer.

2. On March 22, 2005, a final judgment was entered by consent against Mercer permanently enjoining him from future violations of Sections 5(a), 5(c) and 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 promulgated thereunder, in the civil action entitled *Securities and Exchange Commission v. David B. Henderson, et al.*, Civil Action Number 3-03-CV-2661-K in the United States District Court for the Northern District of Texas.

3. The Commission's complaint alleged that from September 2001 through October 2003, David B. Henderson and his company, Independent Funding Ltd./Nevada ("IFL"), offered and sold unregistered securities in the form of promissory notes. According to the Commission's complaint, Henderson falsely claimed that the notes were "adequately secured," "safe" and "liquid." In reality, the notes were not secured, safe or liquid and the proceeds of the notes were used, in part, to make undisclosed ponzi style payments to Henderson's investors in a prior offering. Mercer, acting as an agent for Henderson and IFL, solicited investors to invest in the promissory notes and, without conducting any meaningful due diligence into the claims, repeated to investors Henderson and IFL's misrepresentations. Mercer sold in excess of \$1,250,000 of the promissory notes offered by Henderson and IFL and received in excess of \$80,000 in commissions.

IV.

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

ACCORDINGLY, IT IS HEREBY ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act, that Respondent Mercer be, and hereby is barred from association with any broker or dealer.

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.

Jonathan G. Katz
Secretary