

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 64759 / June 28, 2011

INVESTMENT ADVISERS ACT OF 1940
Release No. 3224 / June 28, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14441

In the Matter of

EDDIE W. SAWYERS,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND 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 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Eddie W. Sawyers (“Sawyers” 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 and 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. Sawyers was associated with Wachovia Securities, Inc., a registered broker-dealer, as a registered representative from January 2004 to October 14, 2008. While at Wachovia, Sawyers held Series 7, 63, and 66 licenses. During the relevant time period, Sawyers acted as an investment adviser to several of his Wachovia customers.

2. On April 15, 2011, a judgment was entered by consent against Sawyers, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77 q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and Sections 206(1), 206(2), and 206(4) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2), & (4)] and Rule 206(4)-8, thereunder [17 C.F.R. § 275.206(4)-8], in the civil action entitled Securities and Exchange Commission v. William K. Harrison, et al., Civil Action Number 3:10-cv-00634, in the United States District Court for the Western District of North Carolina.

3. The Commission's complaint alleged the following facts: Between approximately December 2007 and October 2008, Sawyers and his co-defendant William K. Harrison used misrepresentations and omissions of material fact to defraud at least forty-two Wachovia brokerage customers of at least \$8 million in customer funds. On or around December 2007, Harrison and Sawyers, acting under the d/b/a "Harrison/Sawyers Financial Services," began offering their Wachovia customers an investment opportunity outside of Wachovia through an advisory firm they owned. They misrepresented that the investment opportunity was guaranteed to make a 35% return, with no risk of loss of principal. In those instances when customers were informed that their monies would be used for trading options, Harrison and Sawyers misrepresented the riskiness of their trading strategy by telling customers that they had a foolproof approach to trading options and that their principal investment was secure and would make handsome returns regardless of market volatility. Harrison and Sawyers either opened accounts with optionsXpress in the client's name or commingled the client's funds in accounts opened in Harrison's wife's name or a joint account in the name of Harrison and his wife. So as to not draw attention to their conduct, Harrison and Sawyers placed "limited trading authorizations" and other related documentation associated with their scheme in the name of Harrison's wife. Although the trading strategy that Harrison and Sawyers employed was initially successful, it soon resulted in substantial investor losses. By October 2008, they had depleted the vast majority of the money they had raised from investors. On October 13, 2008, Harrison submitted to Wachovia a resignation letter in which he confessed to "misdirecting" \$6.6 million from seventeen of his Wachovia customers in order to trade online. He also admitted that he had conducted this online trading without first securing the authorization of these 17 individuals.

IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, Sawyers shall be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Sawyers shall 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.

By the Commission.

Elizabeth M. Murphy
Secretary