

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3056 / July 22, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-13975

In the Matter of

ERIC R. MAJORS,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
203(f) OF THE INVESTMENT ADVISERS
ACT OF 1940 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Eric R. Majors (“Respondent” or “Majors”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. For a portion of the time in which he engaged in the conduct underlying the complaint and criminal information described below, Majors was a person associated with an investment adviser within the meaning of Section 202(a)(17) of the Advisers Act. Majors incorporated Force Financial Systems Group, Inc. (“Force Financial”) and was its chief executive officer until the Colorado Secretary of State administratively dissolved the corporation on March 1, 2004. The State of Colorado registered Force Financial as an investment adviser (CRD # 114401) during the period January 6, 2000, through June 29, 2007, and registered Majors as an investment adviser representative and owner of Force Financial (CRD # 2484297) from September 1, 1999, until December 31, 2003. Majors, 40 years old, is a resident of Boca Raton, Florida.

B. ENTRY OF THE INJUNCTION AND RESPONDENT'S CRIMINAL CONVICTION

2. On July 7, 2010, a final judgment was entered by consent against Majors permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933, Sections 10(b), 13(d), and 16(a) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder, and Section 302 of the Sarbanes-Oxley Act of 2002 ("SOX Act") and Rule 13a-14 thereunder, and from aiding and abetting future violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, in the civil action entitled Securities and Exchange Commission v. Eric R. Majors and Joshua N. Wolcott, Civil Action Number 07-cv-02414, in the United States District Court for the District of Colorado.

3. The Commission's complaint alleged that from December 2002 through February 2005, Majors engaged in the fraudulent, unregistered public distribution of the common stock of Maximum Dynamics, Inc. ("Maximum"), to illegally raise capital for the company and to compensate himself. According to the complaint, Majors issued millions of Maximum shares in the names of alleged consultants in Mexico using false consulting contracts and false Form S-8 registration statements. The complaint alleges that, in reality, the individuals in Mexico sold their identities to Majors and did not know about the consulting contracts or the Maximum shares issued in their names. The complaint further alleges that Majors deposited the shares in brokerage accounts that he controlled and used the proceeds from the sale of the shares to secretly pay himself, Maximum, and others. The complaint also alleges that Majors fraudulently certified Maximum's periodic reports with the Commission under the SOX Act and knowingly caused false and misleading statements of material fact to be included in an application for registration filed by Maximum with the Commission.

4. In addition, on April 17, 2009, Majors pleaded guilty to one count of conspiring to defraud the Commission in violation of Title 18, United States Code, Section 371, before the United States District Court for the District of Colorado, in United States v. Eric Richfield Majors, Crim. Case No. 07-CR-00471. On March 23, 2010, a judgment in the criminal case was entered against Majors. He was sentenced to a prison term of 60 months followed by three years of supervised release and ordered to make restitution in the amount of \$166,540.57.

5. The count of the criminal information to which Majors pleaded guilty alleged, among other things, that as early as in or about August 2000 and continuing through at least in or about April 28, 2005, Majors conspired to defraud the Commission by impeding, impairing, defeating, and obstructing the lawful government functions of the Commission. The overt acts supporting the criminal conspiracy count, which included making false filings with the Commission, were in furtherance of the same stock distribution scheme described in Paragraph 3 above.

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; and

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act.

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 personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

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.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of the Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Notice of Hearing ("Order"), on the Respondent and his legal agent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
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