

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 70471 / September 23, 2013

INVESTMENT ADVISERS ACT OF 1940
Release No. 3673 / September 23, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-15513

In the Matter of

James R. Lanier,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, 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 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 James R. Lanier (“Lanier” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. James R. Lanier, age 44, maintains a residence in Sylvester, Georgia. From August 2007 to April 2010, Lanier worked in Tallahassee, Florida as both a registered representative and investment adviser representative of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), a dually registered broker-deal and investment adviser headquartered in New York, New York.

B. RESPONDENT’S CRIMINAL CONVICTION

1. On November 1, 2012, Lanier entered a guilty plea in U.S. District Court for the Northern District of Florida to 13 counts of wire fraud in violation of 18 U.S.C. §§1343 and 2, seven counts of mail fraud in violation of 18 U.S.C. §§1341 and 2, four counts of money

laundering in violation of 18 U.S.C. §§ 1957 and 2, and two counts of aggravated identity theft in violation of 18 U.S.C. §§ 1028A and 2 (U.S. v. James Ryan Lanier, Crim. Case No. 4:12-CR-51-RH-CAS). On March 8, 2013, Lanier was sentenced to a term of one hundred six (106) months in prison and five (5) years of supervised release, and ordered to pay full restitution in the amount of \$887,931.00. Lanier began serving his prison sentence on March 15, 2013.

2. As alleged in Lanier's grand jury indictment, between September 2008 and March 2010, Lanier misappropriated \$887,931 from the advisory and/or brokerage accounts of Merrill Lynch clients and customers. Lanier forged letters purportedly authorizing the transfer of customer and/or client funds to bank accounts controlled by Lanier. Among other things, Lanier used customer and/or client funds to purchase a condominium, vehicles, and an interest in a cellular telecommunications business. In order to conceal his fraud, Lanier transferred a portion of the misappropriated funds to the bank accounts of customers and/or clients who requested liquidation of their Merrill Lynch accounts.

III.

In view of the foregoing, 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 15(b) of the Exchange Act and 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.

By the Commission.

Elizabeth M. Murphy
Secretary