

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 63528 / December 10, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14160**

**In the Matter of**  
  
**STEVEN BYERS,**  
  
**Respondent.**

**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 against Steven Byers (“Byers” or “Respondent”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENT**

1. Byers, age 48, was the Chairman and owner of private equity firm Wextrust Capital, LLC (“Wextrust Capital”) from 2003 to August 2008. Wextrust Capital was a globally diversified private equity company formed in or about 2003, specializing in investments in real estate and specialty finance opportunities. Wextrust Capital was affiliated with several companies of a similar name, including Wextrust Securities, LLC (“Wextrust Securities”), a broker-dealer registered with the Commission.

2. Byers was also an owner and controlling person of Wextrust Securities. Records from Wextrust Securities show that Byers was managing that broker-dealer, had an internal representative number, and solicited investors while associated with the broker-dealer.

**B. RESPONDENT’S CRIMINAL CONVICTION**

3. On April 13, 2010, Byers pleaded guilty to one count of securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17, Code of Federal Regulations, Section 240.10b-5; and Title 18, United States Code, Section 2, and one count of conspiracy to commit securities fraud, mail fraud, and wire fraud in violation of Title 18, United States Code, Sections 371, 1341, and 1343, before the United States District Court for the Southern District of New York, in *United States v. Steven Byers et al.*, No. 08-cr-1092 (DC).

4. In his guilty plea and allocution, Byers admitted, among other things, that from at least November 2005 through August 2008, Byers and others misappropriated approximately \$9.2 million in funds raised from the purchasers of preferred membership interests in GSA Investors, LLC, by representing that the funds would be used to purchase and operate seven commercial properties that were leased to the United States General Services Administration (“GSA”). In reality, the seven GSA properties were never purchased. Instead, virtually all of the funds raised from investors to purchase the properties were diverted by Byers and others to unrelated projects and purposes including the payment of other investors. Byers did not disclose the diversion of investor funds to the GSA investors and he and others continued for years to make misrepresentations to investors including mailing to investors false K1 forms showing fictitious income. Byers made the misrepresentations with the intent of inducing investors to invest new money.

**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 15(b) of the Exchange 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 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing ("Order") on Respondent Steven Byers 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  
Securities and Exchange Commission  
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