

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 63861 / February 7, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14160

In the Matter of

STEVEN BYERS,

Respondent.

ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest to enter this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 against Steven Byers (“Byers” or “Respondent”).

II.

Following the institution of these proceedings on December 10, 2010, Respondent has submitted an Offer of Settlement (“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 jurisdiction over him, the subject matter of these proceedings, and the findings contained in Paragraphs III.B.3. and III.B.4. below, Respondent consents to entry of this

Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934, as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds 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.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED that:

Pursuant to Section 15(b)(6) of the Securities Exchange Act of 1934, Respondent Byers 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.

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 Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("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
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