

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3781 / February 20, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15759

In the Matter of

JERRY S. WILLIAMS,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jerry S. Williams (“Williams” 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 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. Williams, age 46, is a resident of Mesa, Arizona. During at least 2010, Williams was the investment adviser to the U.S. High Performance Fund ("USHPF" or the "Fund"), an investment company located in New Zealand. Neither Williams nor the USHPF were ever registered with the Commission.

2. On February 12, 2014, a final judgment was entered by consent against Williams, permanently enjoining him from future violations of Sections 17(a) and 17(b) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Jerry S. Williams, et al., Civil Action Number 3:12-cv-01068 (RNC), in the United States District Court for the District of Connecticut.

3. The Commission's complaint alleged, among other things, that during 2010, Williams perpetrated a fraudulent scalping scheme involving the stock of Green Oasis Environmental, Inc. ("Green Oasis"). As part of the fraudulent scheme, Williams told the USHPF that he would apply a trading strategy, called a "Float Lock Down," while trading for the benefit of the Fund. According to Williams' Float Lock Down strategy, certain market participants, specifically market makers, routinely engaged in "naked short selling" of penny stock companies – i.e., selling short stocks without having arranged to borrow the stock needed to cover their short position. Williams claimed that by purchasing all the outstanding shares of a company (the "float") whose stock the market makers had sold short, they could create a "short squeeze" that would force the market makers to eventually cover their short position at prices dictated by those who had accumulated the float. In fact, the purported Float Lock Down strategy was simply a pretext for Williams to drive up the share price of a stock so that he could sell his personal holdings of the stock at higher prices. From July 7, 2010 through August 11, 2010, as the investment adviser to the USHPF, Williams purchased over 2.6 million shares of Green Oasis stock for the Fund. Green Oasis' share price, which had been trading at around \$0.24 per share for several days, rose to \$0.31 per share by the close of trading on July 7, 2010. Williams continued to purchase additional shares for the USHPF through August 11, 2010, and the share price rose to over \$0.72 per share, often trading well above \$0.60 per share. As the Green Oasis share price rose, Williams sold his personal holdings of Green Oasis stock for \$78,844, realizing profits of approximately \$36,000. Williams never disclosed to the USHPF, its trustee, or investors in the Fund, that he was selling his personal holdings of Green Oasis stock while simultaneously purchasing large amounts of Green Oasis stock for the USHPF. As a result, Williams defrauded the USHPF, its trustee, and investors in the Fund.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Williams 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.

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.

By the Commission.

Elizabeth M. Murphy
Secretary