

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78776 / September 7, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4524 / September 7, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17529

In the Matter of

**EDUARDO GUILLERMO
DIAZ,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND 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 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 Eduardo Guillermo Diaz (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and 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. Beginning in December 2008 until his termination in October 2012, Diaz was a registered representative associated with a broker-dealer and investment adviser dually registered with the Commission. Starting in late November 2012, Diaz briefly associated with another broker-dealer and an investment adviser, affiliated with one another and registered with the Commission, until he was terminated on January 9, 2013. Diaz, age 58, was a resident of Ocean Springs, Mississippi during the relevant time.
2. On March 22, 2016, Diaz pled guilty to one count of mail fraud in violation of Title 18 United States Code, Section 1341 before the United States District Court for the Southern District of Mississippi in United States v. Eduardo Guillermo Diaz, Crim. No. 1:15cr68-LG-RHG. On June 22, 2016, a judgment in the criminal case was entered against Diaz. He was sentenced to a prison term of 70 months followed by three years of supervised release and ordered to pay a fine of \$15,000 and to make restitution in the amount of \$641,435.88.
3. In connection with that plea, Respondent admitted that:
 - (a) From approximately February 2012 through October 2015, he devised a scheme to defraud investors to obtain money for his own personal use;
 - (b) As part of the scheme, he employed material false representations and promises;
 - (c) Diaz solicited significant sums of money from clients, several of whom were prior business relationships and friends;
 - (d) He also used investors’ money to pay off previous investors; and
 - (e) In one instance, on or about February 23, 2012, an investor wrote a check for \$50,000 and mailed it to Diaz for the purpose of purchasing an annuity. None of the money was invested in an annuity. Instead, Diaz deposited the check into an account in the name of Diaz Financial Services and the funds were converted to Diaz and subsequently used to pay a variety of personal and business related expenses.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Diaz 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; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Diaz be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

Brent J. Fields
Secretary