

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3309 / November 1, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-14610

In the Matter of

TERRY HARRIS,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO 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 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Terry Harris (“Harris” or “Respondent”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Harris was the founder and president of Wealth Builders International, Inc. (“Wealth Builders”), a corporation he controlled. From at least May 2002 through March 2003, Wealth Builders and Harris engaged in the business of providing options trading advice for compensation. During this period, Harris pooled clients’ money in a brokerage account for the purpose of investing in options. Harris recommended options investments to clients and executed the recommended options trades in the pooled brokerage account. Harris received compensation for the options trading advice from deposits that investors made with Wealth Builders or another entity that he controlled. Harris also misappropriated money from clients’ accounts. Harris raised at least \$4.7 million from approximately 1,767 investors. Harris, 51 years old, currently resides at Holman Correctional Facility in Atmore, Alabama.

B. RESPONDENT'S CRIMINAL CONVICTION

1. On February 4, 2011, the Circuit Court of the Tenth Judicial Circuit, Jefferson County, Alabama entered a judgment of criminal conviction against Harris after a jury found Harris guilty of six counts of fraud and two counts of registration violations, in State of Alabama v. Terry Harris, Case No. CC-2007-001624.00. Harris was sentenced to serve 25 years in prison and ordered to make restitution in the amount of \$1,646,944.

2. The counts of the criminal indictment upon which Harris was convicted of securities fraud alleged that Harris: 1) failed to invest investor funds, as represented, in order to utilize said funds to pay returns of previous investors; 2) provided false return statements to investors; and 3) falsely represented himself to potential investors as having a degree in accounting. Harris also was convicted of unlawfully having acted as an unregistered investment adviser and having sold unregistered securities.

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 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