



The Times

Golfer Eddie Lyons cost us \$5 million, investors allege

They say his trading was unauthorized, reckless

Nick Wooten - Shreveport Times
USA TODAY NETWORK

Twenty-nine investors have alleged to a federal regulator that former broker and well-known Shreveport ama-

teur golfer Eddie Lyons lost them millions of dollars through unauthorized and reckless securities trading.

Lyons is not named in the "statement of claims" filed with the Financial Industry Regulatory Authority, or FINRA. But they allege that the wealth management firm Raymond James and its Shreveport branch manager failed to supervise Lyons.

The 29 investors asked FINRA to let them present their claims to a panel of arbitrators.

They range from the elderly to a charitable organization that feeds the homeless. They collectively estimate their losses at around \$5 million — the amount they allege they would have

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Lyons

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realized from the conservative investments in stocks, mutual funds and bonds that they expected from Lyons, said the investors' lawyer, Kim Breese, in Ridgeland, Mississippi.

Instead, they allege, Lyons invested their money in risky oil and gas trusts and partnerships and that he initiated investments and trades without their knowledge.

A representative in Raymond James' Shreveport office declined to comment.

Lyons, in an interview Thursday, Nov. 9, denied that he invested client money in risky ways or that he engaged in unauthorized trading.

"All of these claims arise out of the unprecedented and unforeseen collapse in the price of oil or natural gas or both," Lyons said. "That's what this is about. It's not about unauthorized trading."

Lyons won the 28th LGA Senior Amateur Championship in May. He also is a nine-time winner of the Shreveport City Amateur Golf Tournament and is well known in the Shreveport-Bossier City golf community.

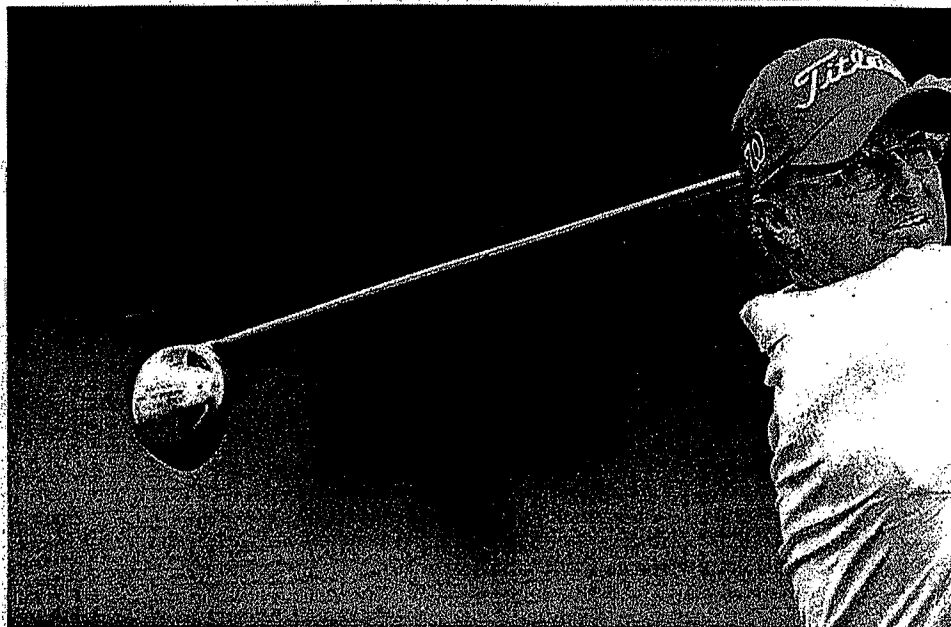
The FINRA statement of claims was filed Friday, Nov. 3. Congress created the agency to protect investors and market integrity by ensuring that securities brokers comply with rules governing their work.

The statement follows two lawsuits filed in U.S. District Court in Shreveport against Lyons and Raymond James alleging unauthorized trading. One lawsuit involved an 88-year-old widow with Alzheimer's Disease, settled in May 2017 for \$400,000. The other was filed in September 2017 and is pending.

Also, since 2016, four complaints have been filed against Lyons regarding his trading activities, according to FINRA's BrokerCheck service.

According to the statement of claims filed last week, Lyons worked for Raymond James from 2013 to April 2017, when he was fired following allegations of unauthorized trading. BrokerCheck also shows that Raymond James fired Lyons in April.

The investors in the new action allege that Lyons engaged in "a pattern of recklessly trading" by selling securities in client accounts, generating a commission for himself and Raymond James.



Eddie Lyons is a well-known amateur golfer in Shreveport. FILE/THE TIMES

Lyons would then use the funds made from the sale to purchase more securities for the client, again generating commission for both the broker and Raymond James, the investors allege.

The investors allege they did not give Lyons or Raymond James permission to engage in the trades.

The securities Lyons purchased were "to an overwhelming extent" in "risky, speculative" oil and gas partnerships and trusts, according to the new FINRA action.

Among specific investments and the associated losses detailed in the statement of claims: Linn Energy and Memorial Production Partners, both bankrupt within three years of investment; Calumet Partners, whose value fell 85 percent; and Cushing Funds, whose value declined 50 to 75 percent.

Those who filed the complaint, like most of Lyons' clients, were "conservative investors who had limited knowledge of and sophistication in investments in securities," the statement of claims states.

Raymond James and its Shreveport branch manager, Thomas O'Brien, were named as respondents in the filing. The investors allege that they knew of Lyons' actions and did not stop him.

"All of this unauthorized trading ... all of which violated industry rules and



Raymond James is located at the American Tower. HENRIETTA WILDSMITH/THE TIMES

standards and federal and state statutes — was done with the knowledge and acquiescence of Raymond James management and compliance personnel," the action alleges.

Breese said he became involved after he was contacted by friends who had used Lyons as an investment broker. He said investors were given little information about Lyons' departure.