

## [Securities Regulation Daily Wrap Up, FRAUD AND MANIPULATION—S.D. Fla.: Penny stock company and its owner charged with fraud, \(Dec. 14, 2015\)](#)

Securities Regulation Daily Wrap Up

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By [R. Jason Howard, J.D.](#)

The SEC has brought charges and obtained an asset freeze against a Florida-based penny stock company marketing itself as “the largest publicly traded diversified portfolio of professional sports teams in the world” and the owner of a “diversified portfolio of academic institutions,” when, in reality, there was no truth to those claims and investors were taken for more than \$6.5 million ([SEC v. Oxford City Football Club, Inc.](#), December 10, 2015).

**“Boiler room” tactics.** According to the complaint, from at least August 2013 to the present, Thomas Anthony Guerriero as CEO of Oxford City Football Club Inc., operated a “boiler room” from which millions of shares of unregistered offerings were sold through fraudulent practices “designed to deceive investors concerning the value of the stock they were purchasing and the future profits they could realize.”

Investors were misled into believing that Oxford was a thriving conglomerate of sports teams, academic institutions, and real estate holdings. Among some of the claims that investors were told was that Oxford would pay a 50 cents per share dividend within a year of investing; that Oxford owned a radio broadcast network and an online university; and that Oxford would earn hundreds of millions of dollars in revenue from existing and new sports-related facilities.

One of Guerriero’s tactics used to defraud was a claim to potential investors that the telephone conversation was being recorded using a “verbal verification system” that supposedly tied the stock “transaction” to their social security number and birthday. Guerriero and his associates actually just pressed any button on their phone to make a sound signaling the fake start of a recording. If investors later refused to pay, Guerriero would threaten them with lawsuits based on their “recorded” verbal commitment.

Over approximately 18 months, Guerriero and Oxford fraudulently raised more than \$6.5 million from more than 150 investors who were often unsuspecting, unaccredited, and inexperienced with investing.

Scott Friestad, associate director of the SEC Enforcement Division, [said](#): “As alleged in our complaint, Guerriero portrayed himself as one of the most powerful and influential CEOs in the history of Wall Street when he’s really a penny stock fraudster mixing lies and verbal threats to line his own pocket with money from unsuspecting investors.”

**Relief requested.** The complaint’s list of relief requested includes: a temporary restraining order; preliminary and permanent injunctions; asset freeze; enjoinder from securities solicitations; a sworn accounting; records preservation; expedited discovery; disgorgement; penalties; a penny stock bar; and an officer and director bar.

The case is [No. 15-cv-62594-KMW](#).

Attorneys: Dean M. Conway for the SEC.

Companies: Oxford City Football Club, Inc.; GCE Wealth, Inc.

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