

[Securities Regulation Daily Wrap Up, FRAUD AND MANIPULATION—N.D. Tex.: Self-proclaimed retirement specialists fraudulently sell life settlement interests, \(May 11, 2015\)](#)

Securities Regulation Daily Wrap Up

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By Jacquelyn Lumb

The SEC today charged two financial radio show hosts for fraudulent sales of life settlement interests. The defendants, Christopher A. Novinger, Brady J. Speers, and their company NFS Group, LLC, represented to investors that the investments were safe and guaranteed and would provide annualized returns of seven to 11 percent. Novinger and Speers marketed themselves as licensed financial consultants and retirement experts but had little or no training related to securities, including life settlements. Both also failed to disclose that they had repeatedly been sanctioned by regulatory authorities ([SEC v. Novinger](#), May 11, 2015).

Novinger and Speers sold approximately \$4.3 million in life settlements to 26 investors between 2012 and 2014. The SEC alleges that they used a bogus net worth calculator in order to qualify certain investors to purchase the life settlements. Interests in life settlements typically are sold to investors who meet certain income or net worth levels. The net worth calculator offered by the defendants factored in future income to artificially inflate client assets, in one case including 20 years' worth of future Social Security and retirement payments. The defendants and their companies were also charged with acting as unregistered broker-dealers.

In its news release announcing the charges, the SEC advised investors to always check the background of anyone trying to sell them an investment to determine if he or she is properly licensed and registered. The SEC also has issued an investor bulletin on the risks associated with life settlements.

The SEC is seeking injunctive relief, the return of the allegedly ill-gotten gains with interest, and financial penalties.

The case is [No. 4:15-cv-358](#).

Attorneys: B. David Fraser for the SEC.

Companies: NFS Group, LLC; ICAN Investment Group, LLC; Speers Financial Group, LLC

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