

**STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION**

**STATE OF FLORIDA,
OFFICE OF FINANCIAL REGULATION,**

Petitioner,

vs.

**Administrative Proceeding
Numbers:**

**A.J. BRENT, JR., CRD #1044402;
ELLIOT SETH SIMON, CRD #845441;
JOHN LEO PARKER; and,
JOHN DENNY BURNS, CRD #1891744;**

**66419-I
66646-I
66652-I
66653-I**

Respondents.

ADMINISTRATIVE COMPLAINT AND NOTICE OF RIGHTS

The State of Florida, Office of Financial Regulation (“Office”), being authorized and directed to administer and enforce the Florida Securities and Investor Protection Act, Chapter 517, Florida Statutes, and having determined by the Statement of Facts and Conclusions of Law herein that the above captioned Respondents violated Chapter 517, by engaging in activity requiring registration as a securities “dealer” or as an “associated person” of a securities dealer, by selling unregistered securities issued by a company operating a fraudulent investment scheme, and by making misrepresentations, omitting material facts or by engaging in practices that operated as a fraud or deceit upon investors, hereby provides notice that final agency action pursuant to Section 517.221, Florida Statutes, will be entered in this matter. Notice is accordingly provided to the Respondents that the Office intends to issue a cease and desist order against the Respondents, as authorized by Section 517.221(1), Florida Statutes, and to impose fines and a bar as authorized by Sections 517.221(3) and (4), Florida Statutes. The Statement of Facts and

Conclusions of Law requiring entry of the aforesaid orders are as follows:

STATEMENT OF FACTS

Tri-Med Corporation: The Issuer of Unregistered Securities Sold by the Respondents

1. The Office is the state agency authorized to bring civil and administrative actions for violations of the Florida Securities and Investor Protection Act, Chapter 517, Florida Statutes.

2. At all times material to this action, Tri-Med Corporation ("Tri-Med") was as an active Florida corporation with a principal address of 34931 U.S. Hwy. 19, Suite 104, Palm Harbor, Florida, 34684.

3. From its inception in October 2011, Tri-Med was purportedly in the business of buying deeply discounted medical receivables, which were due and payable by patients, who were pursuing personal injury claims, typically from slip and fall or automobile accident incidents.

4. The satisfaction of these receivables was contingent on the successful resolution of the related legal claims.

5. From inception, Tri-Med funded its purchase of medical receivables through the sale of investment contracts to Florida investors.

6. Between 2011 and 2013, Tri-Med sold approximately \$17 million in investment contracts to over 200 Florida investors.

7. The investment contracts were in most instances titled "Monthly Income Agreement" or "Agreement" (hereinafter collectively referred to as the "monthly income agreements"), and promised:

- a. a fixed "profit" payment of between 5.5% to 8% on an annual basis

for 24 months;

b. monthly distributions of “profit;”

c. the full return of principle after 24 months, regardless of the profitable resolution of the medical receivable purportedly linked to each monthly income agreement;

d. the option to continue to receive monthly distributions after 24 months, if a medical receivable had not been resolved, which would continue until the resolution of the receivable; and,

e. in the event a medical receivable “claim” was disallowed, then the assignment of a new receivable, with all related expenses born by Tri-Med.

8. Investors did not participate in the management or entrepreneurial efforts of Tri-Med.

9. Investors were promised that their funds would be placed in escrow in an attorney trust account until a medical receivable was purchased on each investor’s behalf.

10. All investor funds were deposited into accounts controlled and owned by Tri-Med.

11. Investors’ funds were commingled with other investors’ funds.

12. Of the \$17 million raised, only approximately \$2.8 million was subsequently transferred to an attorney’s trust account.

13. Investors did not have an escrow relationship with the attorney.

14. As additional security, investors were also promised to be assigned an interest in a “letter of protection” that corresponded to the medical receivable.

15. A “letter of protection” is issued by a patient’s/plaintiff’s attorney assuring

payment of the medical receivable in the event of a settlement with a tortfeasor and the tortfeasor's insurance company.

16. Tri-Med utilized only \$3.9 million, which included the \$2.8 million transferred to the trust account, to purchase medical receivables.

17. Approximately \$2.3 million was distributed back to investors as "profit" or the return of principal.

18. Approximately \$6.5 million was distributed to the operators of Tri-Med for such things as a BMW and a penthouse apartment for Jeremy Anderson, its president; for salaries, marketing and sales commissions; to purchase several single family homes for rehabilitation; and for purported loans to a restaurant and an auto garage.

19. At least \$3 million of the \$6.5 million was nonetheless falsely identified to investors as having been used to purchase medical receivables, which were then assigned to investors via assignments of corresponding fictitious letters of protection.

20. At the time Tri-Med and TMA were placed in receivership in 2014, Tri-Med held approximately \$4.6 million in its bank accounts.

21. Notwithstanding the misuse of funds and the lack of any obligation by insurance companies to satisfy the investment agreements (as the agreement were between Tri-Med and the investors), Tri-Med indicated in marketing materials, on the face of certain of the monthly income agreements, and in investor correspondence such misleading statements as:

a. "Tri-Med where investments are backed and paid by a major insurance company;"

b. "Every dollar is backed by a major insurance company;"

- c. "All deposits are secured by major insurance companies."
- d. "...A letter of credit always remains in place at Bank of America to re-assure this...."

22. In December 2012, Tri-Med was advised by Stoel Rives LLP ("Stoel Rives"), its outside counsel, that the monthly income agreements were "securities."

23. Stoel Rives also advised that the offers and sales of the monthly income agreements were likely in contravention of Florida and federal registration and disclosure requirements, and should be terminated.

24. The definition of the term "security" at Sections 517.021(21)(a) and (q), Florida Statutes (2012), includes the following:

- (a) A note.
-
- (q) An investment contract.

25. The monthly income agreements offered for sale and sold by Tri-Med were "securities."

26. At all times material, Tri-Med was not registered with the Office as a securities "dealer" or "issuer," pursuant to Chapter 517, Florida Statutes.

27. At all times material, Tri-Med did not register the monthly income agreements or any other form of securities with the Office, pursuant to Chapter 517, Florida Statutes.

Tri-Med Associates, Inc.: Tri-Med's "Marketing Arm"

28. Tri-Med principally utilized Tri-Med Associates, Inc. ("TMA"), an affiliated entity, to market monthly income agreements.

29. At all times material, TMA was as an active Delaware corporation with a principal address of 801 International Parkway, Lake Mary, Florida 32746.

30. TMA characterized itself as "... the marketing arm of Tri-Med Corporation and Tri-Med Corporation is in the sole business of paying hospitals and surgery centers cash for their account [sic] receivable from insurance companies."

31. Respondents were affiliated with TMA as purported "independent" sales agents.

32. Between 2012 and 2014, Respondents offered and sold monthly income agreements issued by Tri-Med.

33. Investors typically were solicited through newspaper advertisements placed by TMA or solicited directly by the Respondents through their relationships with investors as insurance agents.

34. For each sale of an investment contract, the Respondent responsible for the sale typically signed the investor's investment contract as the "TriMed [sic] Representative."

35. Tri-Med paid TMA commissions for the sale of monthly income agreements.

36. In turn, TMA paid the Respondents commissions for the sale of each monthly income agreement.

37. Commissions paid to the Respondents ranged between 5% and 7% for each sale, depending on the circumstances.

38. At all times material, TMA was not registered with the Office as a securities "dealer" or "issuer," pursuant to Chapter 517, Florida Statutes.

Related Legal Proceedings

39. On March 4, 2014, the Office brought an action in the Circuit Court in and for the 6th Judicial Circuit, Pinellas County, Florida, Case No.: 2014-001695-CI, to enjoin Tri-Med and other parties, and to place Tri-Med and TMA in receivership, for selling unregistered securities, acting as an unregistered issuer or dealer, and engaging in securities fraud.

40. On March 5, 2012, the court issued an *ex parte* temporary injunction that halted the sale of Tri-Med monthly income agreements and appointed a Receiver over Tri-Med and TMA.

41. On October 24, 2014, following an evidentiary hearing, the Court issued an order maintaining the injunction and receivership, and such remains as of this filing.

42. On December 6, 2016, and December 21, 2016, in a parallel criminal proceeding, the respective guilty pleas of Irwin Ager and Eric Ager, principals and managers of TMA, were accepted in the U.S. District Court for the Middle District of Florida, on charges of wire fraud based on their involvement in the sale of Tri-Med monthly income agreements, Case No.: 6:16-cr-176 and Case No.: 6:16-cr-178.

43. In their guilty pleas, Irwin Ager and Eric Ager admitted that they were aware of the following but continued to sell Tri-Med securities:

a. As of December 2011, that each monthly income agreement was not backed by a major insurance company;

b. As of January 2012, that all investor funds were not being deposited into an escrow account controlled by an attorney, despite representations in marketing material to the contrary; and,

c. As of December 2012, that the sales likely violated Florida and federal securities registration and disclosure requirements as advised by Stoel Rives.

Sales Activities by A.J. Brent, Jr.

44. Respondent A.J. Brent, Jr., CRD #1044402 (“Brent”), is a Florida resident with a last known residence address of 4015 Bayshore Blvd., Unit 16D, Tampa, FL 33611-1703.

45. Brent was registered with the Office as an “associated person” of several securities “dealers” in 1980s and early 1990s.

46. At all times material, Brent was not registered as an “dealer,” “associated person,” or “issuer” with the Office, as those terms are defined in Section 517.021, Florida Statutes.

47. At all times material, Brent was licensed as an insurance agent by the Florida Department of Financial Services.

48. Between January 2012 and February 2014, Brent utilized, Premier Financial Trust, LLC, to hold himself out to the public as providing custom financial solutions, retirement income planning, and “objective recommendations.”

49. Brent was Premier Financial Trust, LLC’s managing member.

50. Premier Financial Trust, LLC, was operated by Brent from offices Florida.

51. In at least one instance, Brent served as a “trustee” for an investor’s trust that was prepared and notarized by Brent.

52. Funds in the trust were used to purchase at least one Tri-Med monthly income agreement.

53. Brent utilized Premier Financial Trust, LLC's bank account to deposit commission payments paid to Brent by TMA.

54. At all times material, Premier Financial Trust, LLC, was not authorized by the Office, pursuant to Chapter 655, Florida Statutes, to transact business utilizing the term "trust company" or words of similar import, in contravention of Section 655.922(2)(a), Florida Statutes.

55. Between January 2012 and February 2014, Brent offered to sell and sold Tri-Med monthly income agreements from offices in Florida.

56. Between January 2012 and February 2014, Brent sold 55 Tri-Med monthly income agreements with an aggregate value of approximately \$2,060,144.40 to 26 Florida residents.

57. Brent was paid approximately \$112,997.98 in total sales commissions.

Sales Activities by Elliot Seth Simon

58. Respondent Elliot Seth Simon, CRD #845441 ("Simon") is a Florida resident with a last known residence address of 2534 Eagle Run Circle, Weston, FL 33327-1529.

59. Simon was registered with the Office as an associated person of several securities "dealers," for intermittent periods, between March 1988 and April 2004.

60. On April 19, 2004, the Office issued a Final Order revoking Simon's registration with the Office as an "associated person" of a securities "dealer," and ordered Simon to cease and desist from any and all future violations of Chapter 517, Florida Statutes.

61. The Final Order was based on 14 approved claims against the Florida

Securities Guaranty Fund, which awards Florida investors for unlawful acts by an “associated person” registered with the Office.

62. Specifically, Simon was found to have been the subject of an arbitration award in excess of \$3 million in total awarded to 14 claimants, for the sale of unregistered securities and securities fraud.

63. At all times material, Simon was not registered as a “dealer,” “associated person” or “issuer” with the Office, as those terms are defined in Section 517.021, Florida Statutes.

64. At all times material, Simon was licensed as an insurance agent by the Florida Department of Financial Services.

65. Between January 2012 and February 2014, Simon offered to sell and sold Tri-Med monthly income agreements from offices in Florida.

66. Between January 2012 and February 2014, Simon sold 24 Tri-Med monthly income agreements with an aggregate value of approximately \$416,000 to 12 Florida residents.

67. Simon was paid approximately \$23,060 in total sales commission.

Sales Activities by John Leo Parker

68. Respondent John Leo Parker (“Parker”) is a Florida resident and has a last known address of 4550 Southeast 48th Place, Ocala, FL 34480.

69. At all times material herein, Parker was not registered as a “dealer,” “associated person” or “issuer” with the Office, as those terms are defined in Section 517.021, Florida Statutes.

70. At all times material, Parker was licensed as an insurance agent by the

Florida Department of Financial Services.

71. Between January 2012, and February 2014, Parker sold 38 Tri-Med income agreements with an aggregate value of approximately \$948,586.66 to 15 Florida investors.

72. Parker was paid approximately \$56,072.70 in total sales commission.

Sales Activities by John Denny Burns

73. Respondent John Denny Burns, CRD #1891744 (“Burns”) is a Florida resident and has a last known residence of 5501 NW 112 Ct., Miami, Florida 33178.

74. At all times material, Burns was not registered as a “dealer,” “associated person,” or “issuer” with the Office, as those terms are defined in Section 517.021, Florida Statutes.

75. At all times material, Burns was licensed as an insurance agent by the Florida Department of Financial Services.

76. Between January 2012 and February 2012, Burns offered to sell and sold Tri-Med monthly income agreements from offices in Florida.

77. Between January and February 2012, Burns sold at least sold at least 2 Tri-Med monthly income agreements with an aggregate value of approximately \$33,000 to 2 Florida residents.

78. Respondent Burns was paid approximately \$1,850.00 in total sales commissions.

The Respondents’ Indifference to Red Flags

79. Beginning in late 2011, prior to the inception of sales by Tri-Med, and continuing through the period of their sales activities on behalf of Tri-Med and TMA, the

Respondents individually and collectively had meetings with Tri-Med and TSA managers and raised questions about the legality of the unregistered securities offering, the legality of their participation as unregistered sales agents, and the transfer and use of investor funds.

80. The Respondents through emails also discussed these unresolved issues but continued to sell the monthly income agreements without mentioning these concerns to the investors.

81. For example, on December 7, 2011, TMA manager Irwin Ager gave advice in an email to the Respondents about how to pitch the monthly income agreements, and noted that the agreements in fact were not guaranteed by a major insurance company but such should not be disclosed to the investors:

...Madoff and Rothstein have imbedded mistrust in everyone's mind. The only way you can convince people today is with "the safety of this investment." The absolute magical words are: *(Which technically you cannot say!)* **"This is an insured investment."** SO – Although technically, it is not, telling people that their principle is going to be paid by **"A Major Insurance Company"** *is exactly what they want to hear!* **They absolutely DO NOT want to hear that "TriMed" owes them money....** You need to remember - **Trust it the key element of success.**

Good luck,
Irwin

82. On December 15, 2011, Simon raised concerns in an email to the other Respondents about proof that the investors would be repaid "regardless of TriMed" as well as concerns about his ability to ask question to Tri-Med's purported legal counsel:

...Once I see documents that my clients money will be repaid regardless of TriMed, I will feel much better. Of course we still have to overcome fear created by Rothstein that these contracts may not even exist, but I think we are getting close with each discussion and meeting. I was slightly pissed that the attorney from Broad & Cassell wasn't there. Why use a Miami attorney firm if they are not responsive to us?

83. On January 4, 2012, Brent addressed concerns about the registration of the

securities and the registration of the sales agents in an email to Jeremy Anderson, Tri-Med's president, as follows:

I know of a few reps that were suspended for a year or more for "selling unregistered securities" or selling a product without the proper license. I'm sure none of us want to go down that path. We've been told that "no license is necessary and anyone can sell this." Do you have an opinion letter from a securities attorney (Brian Stayton?) reaffirming that issue? If so, can you forward it to me? If no, can you obtain it?

Also, CONFIDENTIALLY, I don't want to hurt anyone's feelings, however, the lack of professionalism, i.e., correct English grammar, in the Income Agreement, response letter, etc., smacks of documents written by a Nigerian scam. This just handicaps the sales reps unnecessarily. I'm not sure what can be done about it without ruffling feathers, but it is something that needs attention....

84. On January 23, 2012, Brent sent an email to Irwin and Eric Ager, TMA's managers, and the other Respondents, containing numerous questions raised by the four Respondents, indicating "...Here is a list of issues we would like to discuss at our next meeting...." including but not limited to:

- a. control of the trust account;
- b. the content of the investment contracts; and,
- c. a request for a legal opinion letter "regarding the class of the investment in that no special license is required."

85. On January 25, 2012, Irwin Ager responded to all the Respondents in an email providing:

...The account will continue to be under the control of Tri-Med not Marlowe. It is not up for discussion. This account will also be audited every 30 days beginning March 1, 2012. Certainly copies will be available for any of you wanting them.

...AJ, you should have in your possession, or you will by tomorrow, the securities opinion. If any others want to see it, please ask AJ to forward it to you....

86. By late January 2012, the Respondents had each received a copy of the referenced legal opinion letter, bearing the letterhead of Broad and Cassel, Attorneys at Law (“Broad & Cassel”).

87. The opinion letter contained the forged signature of a Broad Cassel attorney and did not represent the firm’s legal work product.

88. A corporate representative of Broad and Cassel testified under oath in the injunction and receivership proceeding that no member of the firm was engaged by Tri-Med or any related party to provide legal advice in any way relate to the Tri-Med offering.

89. The opinion letter in the initial portion analyzed the monthly income agreements as constituting “securities” in the form of “notes,” without addressing the elements of the recognized legal test or any test for determining when notes are viewed as securities.

90. The opinion letter did not address key components of the investment program as pitched by the Respondents, including the payment of guaranteed monthly interest payments and the purported replacement of a new medical receivable as security in the event of an unsuccessful legal claim by the patient.

91. The opinion letter in a very brief “Conclusion” section first summarily concluded in a four-line sentence that the securities were “exempt” from registration under federal and Florida law, but ended with the following significantly inconsistent paragraph:

We by this letter consent to the filing of this opinion as an Exhibit to the Registration Statement and to the reference to this firm in the Registration Statement and the related prospectus under the heading “Legal Matters,” without admitting that we are “experts” with the meaning of the Act or the

rules and regulations of the Securities and Exchange Commission issued under them with respect to any part of the Registration Statement including this Exhibit.

92. Respondents were aware that there was no Registration Statement prepared for filing.

93. Respondents were aware of the lack of a prospectus or Private Placement Memorandum that could be provided to prospective investors.

94. The opinion letter also did not address the critical question of whether the sales agents were exempt from registration with the Office as associated persons of a securities issuer or dealer.

95. On April 4, 2012, in an email to the other Respondents, Simon again raised foreboding concerns about the adequacy of reserves that would assure the repayment to the investors:

...I had a conversation with Eric in which I was questioning the adequacy of reserves. Her got a little pissed at me and directed me to the above agreement saying that it assures that if a lien goes bad, the hospital will substitute a new one, which of course is very positive. However when I read the agreement I couldn't find that specific language. It is probably some place in #7 SALE TREATMENT, but I can't find it.

Help me please...Please do not pass this by Eric. I don't want to look like negative. If you don't have a copy of the lien let me know and I can get it to you

Are you guys available for a call today?...

96. By May 8, 2012, Brent was under the impression that Broad and Cassel was no longer purported counsel for Tri-Med.

97. On May 8, 2012, Brent sent an email directly to Jeremy Anderson, the president of Tri-Med, which again addressed red flags raised by the Respondents and provided:

To avoid talking over each other, I checked with the guys to come up with issues to forward you.

1. Update on registration with state.
2. Advertising guidelines from Schifino.
3. CPA report.
4. Update on case closings.
5. Flow chart of funds.
6. Anything else you feel necessary.
7. Broad and Cassel is out. Schifino is in as securities counsel. Can they review B&C's opinion letter and provide a confirmation as to the licensing requirements, or lack thereof, for representing this investment?

98. Similar to the fraudulent Broad and Cassel opinion letter, William Schifino, Jr., Esq., testified under oath in the injunction and receivership proceeding that neither he nor any member of his firm was engaged by Tri-Med or any related party to provide legal advice in any way relate to the Tri-Med offering.

99. The Respondents, through group emails among themselves, through individual and group emails with Irwin Ager, Eric Ager, and Jeremy Anderson, and through oral communications were aware of the following:

- a. In December 2011, that each investment contract was not backed by a major insurance company;
- b. In January 2012, that all investor funds were not being deposited into an escrow account controlled by an attorney, despite representations in marketing material to the contrary;
- c. In June 2012, that the Office had first inquired about Tri-Med's unregistered securities offering and newspaper advertisements, and
- d. That in October 2012, Tri-Med's multiple bank accounts with Bank of America were closed, as disclosed on October 29, 2012, by Irwin Ager in an email to the Respondents:

...**Bank of America closed all of our accounts.** That even included **our** account at TriMed Associates. The red flag came up when Tri-Med **Corp.** opened their 10th account. The explanation for opening so many accounts is because; over 35 **non-qualified investors** (under \$100,000) makes it a security and we do not want to be a security (we are an **exempt security**). Consequently, the loop hole is to open a new account when an account reaches 35 non-qualified investors...Our attorney said...they are gun shy of anything that even smells like a scam or money laundering....

100. Respondents sold Tri-Med the monthly income agreements while aware of these facts.

101. Respondents failed to learn about the true Ponzi/fraudulent nature of the product they were selling, in light of the red flags.

102. Respondents failed to disclose all material facts about the Tri-Med monthly income agreements to each investor with whom they dealt.

103. Respondents, in light of representations made, omitted material information from each investor with whom they dealt, including the Respondents' inability to obtain accounting information as promised by Jeremy Anderson and Irwin Ager.

104. Respondents provided false investment advice about the value of the monthly income agreements to each investor with whom they dealt.

105. Respondents provided false investment advice about the advisability of investing in the monthly income agreements investment contracts to each investor with whom they dealt.

106. As sales agents, who held themselves out to investors as providing objective advice about alternative investments and insurance that could provide safe retirement income, Respondents owed a heightened duty of care to the investors.

107. Respondents placed their interests and desire to obtain commission ahead

of the investors interests.

108. This prioritization of receiving commissions by the Respondents from the outset is expressed in an email from A.J. Brent to the other Respondents and Irwin and Eric Ager, dated January 4, 2012, suggesting a smaller rate of return for investors and an increased commission for the sales agents:

When discussing the TriMed plan with potential investors, the reaction is “8! Must be risky!” Maybe we should lower the rate to 6% or 7% and increase the commission 1% or 2%. A.J.

CONCLUSIONS OF LAW

Based on the foregoing Statement of Facts, the Office concludes each of the following as a matter of law:

109. Section 517.03, Florida Statutes, provides that the Office is authorized to administer and provide for the enforcement of all the provisions of the Florida Securities and Investor Protection Act, Chapter 517, Florida Statutes.

THE TRI-MED MONTHLY INCOME AGREEMENT IS A “SECURITY”

110. Section 517.021, Florida Statutes, entitled **Definitions**, provides at subsection (21) the following definition of a security:

(21) “Security” includes any of the following:

- (a) A note.
- (f) An evidence of indebtedness.
- (g) A certificate of deposit.
- (i) A certificate of interest or participation.
- (k) A certificate of interest in a profit-sharing agreement ...
- (q) An investment contract.
- (r) A beneficial interest in title to property, profits, or earnings.
- (s) An interest in or under a profit-sharing or participation agreement or scheme.
- (u) Any other instrument commonly known as a security, including an interim or temporary bond, debenture, note, or certificate.

111. The Office concludes that the Tri-Med monthly income agreement is a “security,” as defined by Section 517.021(21), Florida Statutes.

COUNT I
OFFER AND SALE OF UNREGISTERED SECURITIES

112. Section 517.07, Florida Statutes, entitled **Registration of securities**, provides at subsection (1) the following:

(1) It is unlawful and a violation of this chapter for any person to sell or offer to sell a security within this state unless the security is exempt under s. 517.051, is sold in a transaction exempt under s. 517.061, is a federally covered security, or is registered pursuant to this chapter.

113. Pursuant to Section 517.17, Florida Statutes, the Office is not required to negate any potential exemptions to registration arising under the provisions of Chapter 517, Florida Statutes. The defense of an exemption must be raised and proved by the party asserting the defense.

114. The Office concludes that the Tri-Med monthly income agreements were not exempt securities, pursuant to Section 517.051, Florida Statutes.

115. The Office concludes that the Tri-Med monthly income agreements were not sold in transactions exempt from registration, pursuant to Section 517.061, Florida Statutes.

116. The Office concludes that the Tri-Med monthly income agreement “security” is not a “federal covered security” as defined by Section 517.021(10), Florida Statutes.

117. The Office is not required to allege or prove scienter for violation of Section 517.07, Florida Statutes, sale of an unregistered security, as this is a strict liability violation. State v. Houghtaling, 181 So. 2d 636 (Fla. 1965).

118. The Office concludes that the Respondents violated Section 517.07, Florida Statutes, by offering and selling unregistered securities within Florida in the form of the Tri-Med monthly income agreement, resulting in the following:

- a. Respondent Brent: 55 violations
- b. Respondent Simon: 24 violations
- c. Respondent Parker: 38 violations
- d. Respondent Burns: 2 violations

COUNT II
SALE OF SECURITIES BY UNREGISTERED DEALER,
ASSOCIATED PERSON OR ISSUER

119. Section 517.12, Florida Statutes, entitled **Registration of dealers, associated persons, investment advisers, and branch offices**, provides at subsection (1) the following:

(1) No dealer, associated person, or issuer of securities shall sell or offer for sale any securities in or from offices in this state, or sell securities to persons in this state from offices outside this state, by mail or otherwise, unless the person has been registered with the office pursuant to the provisions of this section. The office shall not register any person as an associated person of a dealer unless the dealer with which the applicant seeks registration is lawfully registered with the office pursuant to this chapter.

120. Section 517.021, Florida Statutes, entitled **Definitions**, provides at subsections, (2)(a), (6)(a), (14), and (18) the following definitions:

- (2) "Associated person" means:
 - (a) With respect to a dealer or investment adviser, any of the following:
 - 1. Any partner, officer, director, or branch manager of a dealer or investment adviser or any person occupying a similar status or performing similar functions;
 - 2. Any natural person directly or indirectly controlling or controlled by such dealer or investment adviser, other than an employee whose function is only clerical or ministerial; or

3. Any natural person, other than a dealer, employed, appointed, or authorized by a dealer, investment adviser, or issuer to sell securities in any manner or act as an investment adviser as defined in this section.

* * *

(6)(a) "Dealer" includes any of the following:

1. Any person, other than an associated person registered under this chapter, who engages, either for all or part of her or his time, directly or indirectly, as broker or principal in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.
2. Any issuer who through persons directly compensated or controlled by the issuer engages, either for all or part of her or his time, directly or indirectly, in the business of offering or selling securities which are issued or are proposed to be issued by the issuer.

* * *

(14) "Issuer" means any person who proposes to issue, has issued, or shall hereafter issue any security. Any person who acts as a promoter for and on behalf of a corporation, trust, or unincorporated association or partnership of any kind to be formed shall be deemed an issuer.

121. The Office concludes that the Respondents violated Section 517.12(1), Florida Statutes, by offering and selling securities, from offices within Florida or to persons within Florida, in the form of the Tri-Med monthly income agreement, without being registered by the Office as a "dealer" or "associated person," resulting in the following:

- a. Respondent Brent: 55 violations
- b. Respondent Simon: 24 violations
- c. Respondent Parker: 38 violations
- d. Respondent Burns: 2 violations

COUNT III
SECURITIES FRAUD

122. Section 517.301(1)(a), Florida Statutes, entitled *Fraudulent transactions; falsification or concealment of facts*, provides:

(1) It is unlawful and a violation of the provisions of this chapter for a person:

(a) In connection with the rendering of any investment advice or in connection with the offer, sale, or purchase of any investment or security, including any security exempted under the provisions of s. 517.051 and including any security sold in a transaction exempted under the provisions of s. 517.061, directly or indirectly:

1. To employ any device, scheme, or artifice to defraud;
2. To obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
3. To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a person.

123. The Office concludes that the Respondents violated Sections 517.301(1)(a)2. and 3., Florida Statutes, by obtaining money from each Tri-Med monthly income agreement investors by means of untrue statements of material fact or by means of omissions of material facts, and by engaging in transactions, practices or a course of business that operated as a fraud or deceit upon each Tri-Med monthly income agreement investors, resulting in the following:

- a. Respondent Brent: 55 violations
- b. Respondent Simon: 24 violations
- c. Respondent Parker: 38 violations
- d. Respondent Burns: 2 violations

SANCTIONS

124. Section 517.221(1), Florida Statutes, authorizes the Office to issue and serve upon any person a cease and desist order, whenever the Office determines that such person is violating or has violated any provision of Chapter 517, Florida Statutes, or any administrative rule adopted thereto.

125. Section 517.221(3), Florida Statutes, authorizes the Office to impose and collect an administrative fine against any person found to have violated the Act and the rules thereto in an amount not to exceed \$5,000.00 for each violation.

126. Section 517.221(4), Florida Statutes, authorizes the Office to bar permanently or for a specific time period any person found to have violated any provision of Chapter 517, Florida Statutes, or any rule adopted thereto.

127. The disciplinary guidelines are set forth at Rule 69W-1000.001, Florida Administrative Code, located electronically at <http://www.flofr.com/securities/index/htm>.

PROPOSED AGENCY ACTION

Based on the foregoing Statement of Facts and Conclusions of Law **NOTICE IS HEREBY PROVIDED** that the Office will enter a Final Order in this matter, subject only to the Notice of Rights herein. In its Final Order, the Office will:

1. Order the Respondents to cease and desist from violations of Chapter 517, Florida Statutes.
2. Impose administrative fines on the Respondents for each violation of the Chapter 517, Florida Statutes.
3. Bar the Respondents from submitting an application or notification for a license or registration with the Office.

NOTICE OF RIGHTS

You may request a hearing to be conducted in accordance with the provisions of Sections 120.569 and 120.57, Florida Statutes. A request for such a hearing must comply with the provisions of Rule 28-106.104(2), Florida Administrative Code, and either Rule 28-106.201(2) or Rule 28-106.301(2), Florida Administrative Code, and must be filed with the Agency Clerk as follows:

By Mail

Agency Clerk
Office of Financial Regulation
P.O. Box 8050
Tallahassee, Florida 32314-8050
Phone: (850) 410-9663

OR

By Hand Delivery

Agency Clerk
Office of Financial Regulation
General Counsel's Office
The Fletcher Building, Suite 118
200 East Gaines Street
Tallahassee, Florida 32399-0379
Phone: (850) 410-9663

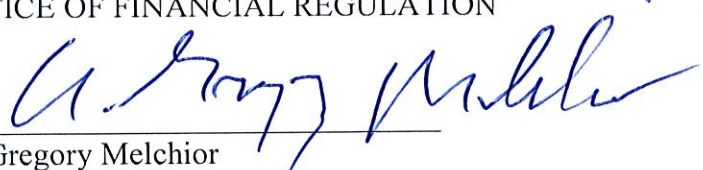
Your request must be filed within 21 days of the date of receipt of this Notice.

YOUR FAILURE TO RESPOND TO THIS NOTICE OF DENIAL WITHIN 21 DAYS OF RECEIPT WILL CONSTITUTE A WAIVER OF YOUR RIGHT TO REQUEST A HEARING AND A FINAL ORDER MAY BE ENTERED WITHOUT FURTHER NOTICE.

In the event that a hearing is requested, all parties will have the right to be represented by counsel or other qualified representative; to offer written and oral testimony; to call and cross-examine witnesses; and to have subpoenas and subpoenas duces tecum issued on their behalf. Pursuant to Section 120.573, Florida Statutes, you are advised that mediation of this matter is not available.

STATE OF FLORIDA
OFFICE OF FINANCIAL REGULATION

April 5, 2017
Date



A. Gregory Melchior
Assistant General Counsel
1313 Tampa Street, Suite 615
Tampa, Florida 33602-3394
Greg.Melchior@FLOFR.com
(813) 218-5327
Florida Bar No. 407290

NOTICE TO RESPONDENTS

In accordance with the Americans with Disabilities Act, persons with disabilities needing a special accommodation to participate in this proceeding should contact the agency clerk no later than seven (7) days prior to the proceeding at the Office of Financial Regulation, Legal Services Offices, Suite 526, The Fletcher Building, 200 E. Gaines Street, Tallahassee, Florida 32399-0379; (850) 410-9668.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Administrative Complaint and Notice of Rights has been served by Certified Mail to all parties on the attached Service List, this 5th day of April, 2017.


A. Gregory Melchior
Assistant General Counsel

Service List

A.J. Brent
4015 Bayshore Blvd.
Unit 16D
Tampa, FL 33611-1703

Elliot Seth Simon
2534 Eagle Run Circle
Weston, FL 33327-1529

John Leo Parker
4550 Southeast 48th Place
Ocala, FL 34480

John Denny Burns
5501 NW 112 Ct.
Miami, Florida 33178