

**IN THE CIRCUIT COURT OF THE SIXTH JUDICIAL CIRCUIT
IN AND FOR PINELLAS COUNTY, FLORIDA
CIVIL DIVISION**

STATE OF FLORIDA,
OFFICE OF FINANCIAL REGULATION,

Plaintiff,

vs.

CASE NO.: 2014-001695-CI

TRI-MED CORPORATION,
TRI-MED ASSOCIATES INC.,
JEREMY ANDERSON,
ANTHONY N. NICHOLAS, III,
ERIC AGER,
IRWIN AGER,
TERESA SIMMONS BORDINAT, a/k/a
TERESA SIMMONS,
and ANTHONY N. NICHOLAS, JR.,

Defendants,

TMFL HOLDINGS, LLC,

Relief Defendant.

_____ /

**SECOND AMENDED COMPLAINT FOR TEMPORARY AND
PERMANENT INJUNCTION, APPOINTMENT OF RECEIVER,
AND OTHER STATUTORY AND ANCILLARY RELIEF**

Plaintiff, State of Florida, Office of Financial Regulation (“OFR”) files this Second Amended Complaint, which is further supported by an affidavit and documents contained within the Receiver’s Motion to Expand Scope of the Receivership to Include TMFL Holdings, LLC, and Incorporated Memorandum of Law and Burton W. Wiand, as Receiver’s Affidavit in Support of Motion to Expand Scope of the Receivership to Include

TMFL Holdings, LLC (previously filed in this matter), and alleges as follows with respect to the Defendants:

SUMMARY OF CLAIM

1. Since 2011, the Defendants have schemed to offer and sell at least \$13 million in unregistered securities in the form of investment agreements through Defendant Tri-Med Corporation in violation of the registration and anti-fraud provisions of Chapter 517, Florida Statutes. The Defendants used false claims and purported above market rates of return to lure customers into purportedly investing in medical practice related accounts-receivable securitized by "Letters of Protection." Only a small portion of the at least \$13 million raised from investors has been used to purchase medical practice accounts receivable. Instead, the Defendants used the majority of the funds to pay off earlier investors, pay for other items not disclosed to investors, or to disburse among themselves. Based on investor interviews and bank account records, the evidence indicates that since October 2011, the Defendants have lured at least 232 investors to invest in excess of \$13 million in the Tri-Med Corporation Letters of Protection investment program. Despite this inflow, the Defendants have transferred only \$2.8 million to a law firm trust account as specified in each investor's written investment contract. The remaining at least \$10.2 million was never placed into the law firm trust account as the Defendants claimed it would be. Of the remaining \$10.2 million, merely \$4 million is on deposit in Tri-Med Corporation accounts as of February 10, 2014. The remaining \$6.2 million has been spent on the personal expenses of the Defendants and on other expenses not related to the Letters of Protection investment program. Some of the investors' funds have been transferred to Relief Defendant TMFL Holdings, LLC since September 2013. Throughout 2013, some of

the investors with matured purported Letters of Protection investments have been rolled into new purported Letters of Protection investments, while others who chose to close out their investment(s) were paid off with funds provided by new investors. New investors and rolled over investors are not apprised of the true insolvent nature of the operation. Unless enjoined and placed in receivership, the Defendants will continue to solicit new investors and continue to disperse funds to themselves.

JURISDICTION AND VENUE

2. This action is within the jurisdiction of this Court under Article V, Section 5(b) of the Constitution of the State of Florida, which identifies circuit court jurisdiction, and by operation of § 26.012(2)(c) and (3), Florida Statutes, which identifies Circuit Court jurisdiction in cases in equity and authorizes the issuance of injunctions.

3. This action is specifically authorized by § 517.191(1), Florida Statutes, which authorizes the OFR to bring this action before this Court to enjoin violations of Chapter 517, Florida Statutes.

4. This action is specifically authorized by § 517.191(2), Florida Statutes, which provides for the appointment of a statutory receiver, and by the Court's inherent equitable power to appoint a receiver.

5. This action seeks restraint of acts and practices of the Defendants that have occurred, are occurring or are about to occur in and from Pinellas County, Florida, and from counties throughout the State of Florida.

6. Venue is appropriate in Pinellas County, Florida, as Tri-Med Corporation is principally located in Pinellas County and Tri-Med Corporation issued securities from and accepted deposits to offices within Pinellas County.

PARTIES AND CORPORATE RELATIONSHIPS

7. Plaintiff OFR is the State of Florida agency responsible for the regulation of the securities industry pursuant to §§ 20.121(3)(a)2., and 517.03, Florida Statutes.

8. Defendant Tri-Med Corporation (“Tri-Med”) is registered as an active Florida corporation with a principal address of 34931 U.S. Hwy 19 Suite 104, Palm Harbor, Florida, 34684.

9. Defendant Tri-Med Associates, Inc. (“TMA”) is registered as an active Delaware corporation with a principal address of 801 International Parkway, Lake Mary, Florida 32746. TMA, on its website, listed 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.”

10. Defendant Jeremy Anderson, (“Anderson”) is an individual with a last known residence in the State of Minnesota.

11. Anderson is listed in filings with the Florida Secretary of State as a director and the president of Tri-Med.

12. Defendant Anthony N. Nicholas, III (“Nicholas, III”) is an individual with a last known residence in Pinellas County, Florida.

13. Nicholas, III is listed in filings with the Florida Secretary of State as a director of Tri-Med and secretary and treasurer.

14. Defendant Eric Ager (“E. Ager”) is an individual with a last known residence in Pinellas County, Florida.

15. E. Ager is the Tampa Sales Director for Tri-Med.

16. Defendant Irwin Ager (“I. Ager”) is an individual with a last known residence in Seminole County, Florida.

17. I. Ager is the Central Florida Sales Director for Tri-Med.

18. Teresa Simmons Bordinat, a/k/a Teresa Simmons, (“Simmons”) is an individual with a last known residence in Seminole County, Florida.

19. Simmons is listed in filings with the Florida Secretary of State as the director and president of TMA.

20. Defendant Anthony N. Nicholas, Jr. (“Nicholas, Jr.”) is an individual with a last known residence in Pinellas County, Florida.

21. Nicholas, Jr., signed a Non-Disclosure Agreement with Tri-Med on April 13, 2012, in which Nicholas Jr., carries the title Secretary-Treasurer, contrary to Tri-Med’s corporate filings with the Florida Department of State, Division of Corporations which list Nicholas, Jr.’s son, Nicholas III, as the secretary treasurer. Nicholas, Jr. directed payment from Marlowe McNabb, P.A. to a medical provider for medical accounts receivable and has signed documents as the secretary treasurer of Tri-Med again contrary to Tri-Med’s corporate filings with the Florida Department of State, Division of Corporations. Additionally, Nicholas, Jr. is listed on the West Coast Florida Better Business Bureau website for Tri-Med Corporation as Director, Secretary, and Treasurer of the company.

22. Relief Defendant TMFL Holdings, LLC (“TMFL”) is registered as an active Florida limited liability corporation with a principal address of 3520 Woodridge Parkway, Palm Harbor, Florida 34684. Which is or was the residence of Defendants Nicholas, Jr. and Nicholas, III.

a. Defendant Nicholas, III is the organizer of TMFL.

- b. Nicholas, III filed his “Accounting of Personal Assets of Anthony Nicholas, III” on March 14, 2014 in which he lists ownership of 100% of TMFL’s common stock among his assets.

23. Non-party Wells Fargo Bank, N.A. (“Wells Fargo”) is a national chartered bank based in San Francisco, California, with offices in Florida.

24. Non-party Marlowe McNabb, P.A. (“Marlowe McNabb”) is a Florida law firm based in Tampa, Florida.

25. Non-party Homebanc N.A. (“Homebanc”) is a national chartered bank based in Tampa, Florida

THE SALE OF THE INVESTMENT PLAN

26. The Defendants have engaged in the offer and sale of what appears to be in excess of \$13 million in investment agreements to 232 Florida investors.

27. The OFR has obtained sworn affidavits from 15 Florida investors. Several of these investors rolled over these investment agreements in 2013 when the original investment agreements matured.

28. Sales have been principally made to elderly investors searching for ultra conservative investments.

29. According to investors and independent sales agents, E. Ager and I. Ager are the two principal marketing and sales personnel for Tri-Med.

30. E. Ager and I. Ager made sales directly to investors and provided the training to the independent sales agents who sold the Tri-Med investment to the investors.

31. TMA is the marketing arm of Tri-Med.

32. TMA markets the Tri-Med investment by placing newspaper advertisements, direct mailings, and through the independent sales agents contact lists as well as the independent sales agents placing advertisements or sending direct mail in the format provided by or instructed by Tri-Med, TMA and I. Ager and/or E. Ager.

33. Tri-Med purports to buy accounts receivable backed by Letters of Protection from medical providers, including doctors and hospitals.

34. TMA's website states, in part:

- a. "Hospitals and surgery centers no longer have to carry unpaid receivables for many months because of the available cash from Tri-Med Corporation."
- b. "Tri-Med Corporation works with investor money to purchase account receivables [sic] backed by letters of protection (LOPs or liens) from major healthcare providers."
- c. "Our investment program allows investors to receive a better return on their funds. Interest payments are made on a monthly, direct deposit. Terms are almost always less than 24 months. It's the perfect program for knowledgeable investors."

35. Contrary to the above representations, Tri-Med uses less than 25% of investor monies to buy accounts receivable backed by Letters of Protection from healthcare providers. The majority of investor funds have been used by Tri-Med's principals for other purposes and for their own personal expenses.

36. Additionally, the Defendants failed to tell investors that the “interest payments” the investors will receive are actually the investors’ own funds or the funds of other investors being paid out to them to give the illusion of “interest payments.”

37. TMA’s website further claimed:

This investment has been registered with and operates as an exempt security, as reviewed by the Florida Office of Financial Regulation.

38. Contrary to this representation, the investment has never been registered with the OFR. Further, it was never submitted by any of the Defendants to the OFR for review.

39. Tri-Med informs investors and potential investors that it buys accounts receivable backed by Letters of Protection from the following hospitals:

- a. Sarasota Memorial
- b. Blake Medical Center of Bradenton
- c. Northside Hospital and Heart Institute
- d. St. Vincent’s Hospital, Jacksonville
- e. Lakeland Regional Medical Center
- f. North Florida Regional Medical Center
- g. Memorial Hospital of Tampa
- h. Palms of Pasadena Hospital, St. Petersburg
- i. Town and Country Hospital

40. Hospital Corporation of America (“HCA”) operates all of the above listed hospitals except:

- a. Sarasota Memorial

b. St. Vincent's Hospital, Jacksonville

41. HCA denies selling any accounts receivable to Tri-Med at any time.

42. St Vincent's Hospital in Jacksonville, Florida denies selling any accounts receivable to Tri-Med at any time.

43. Sarasota Memorial has not responded to an inquiry of whether they have ever sold any accounts receivable to Tri-Med.

44. Tri-Med informs investors and potential investors that it buys accounts receivable backed by Letters of Protection from the following Surgery Centers:

a. Boca Raton Surgery Center

b. Emerald Coast Surgery Center, Ft. Walton Beach

c. Medical Partners Surgery Center, Jacksonville

d. Citrus Surgery Center

e. Orlando center [sic] for Surgery

f. Indian River Surgery Center

g. Physician's Surgical Care Center, Winter park [sic]

45. Surgical Care Affiliates ("SCA") operates, all of the above listed surgical centers in Florida.

46. SCA denies any of its affiliates sold any accounts receivable to Tri-Med at any time.

47. Tri-Med informs investors and potential investors that it buys accounts receivable backed by Letters of Protection from the following doctors:

a. Dr. Jeffrey H. Oppenheimer – Neurosurgeon.

b. Dr. Barry Shapiro, Orthopedic Surgeon.

- c. Dr. Gerard D'Ariano – Orthopedic Surgeon.
- d. Dr. Gerarg [sic] D'Ariano – Orthopedic Surgeon. This appears to be a misspelling of Dr. Gerard D'Ariano, listed above.
- e. Dr. Scott Katzman – Orthopedic Surgeon.
- f. Dr. Robert Mills – Orthopedic Surgeon.
- g. Dr. Monica McPhail-Pruitt – Anesthesiologist.
- h. Dr. Behnam Meyers [sic] – Osteopathic Physician. This appears to be a misspelling of Dr. Behnam Myers.
- i. Dr. William Wilcox – Osteopathic Physician.
- j. Dr. Jon Ehrich – Osteopathic Physician.
- k. Dr. Edwin Maldonado – Doctor of Medicine.
- l. Dr. Christine Schleiter – Doctor of Chiropractic.
- m. LewJack Dorance – Physician Assistant, Certified.
- n. Luciano Barketta [sic] – Physician Assistant, Certified. This appears to be a misspelling of Luciano Barletta.
- o. Denise Andrade – Physician Assistant, Certified.
- p. Michael Wycocki [sic] – Physician Assistant, Certified. This appears to be a misspelling of Michael Wycoki.
- q. Bill Holt, Director of Physical Therapy – Advanced Orthopedics.
- r. Dr. Eric Groteke – Diagnostician and Doctor of Chiropractic.
- s. Dr. Glen Petterson [sic] – Diagnostician and Doctor of Chiropractic. This appears to be a misspelling of Dr. Glen Pettersen.

48. Of the above identified doctors, all but five deny selling accounts receivable to Tri-Med at any time.

49. Of the remaining five doctors:

- a. Dr. William Wilcox is no longer licensed in the State of Florida. His license expired December 31, 1987. Making it unlikely he sold any accounts receivable backed by Letters of Protection he may have had as they would have been at least 23 years old when the Defendants began this investment scheme.
- b. Dr. Eric Groteke stated he did sell accounts receivable backed by Letters of Protection to Tri-Med during the “first quarter of the year” but none after that.
- c. The remaining three, listed below, have not responded to inquiries whether they have ever sold accounts receivable to Tri-Med.
 - i. Dr. Robert Mills
 - ii. Dr. Jon Ehrich
 - iii. Dr. Glen Pettersen

50. The general theme throughout the Tri-Med advertising is:

- a. The investor will receive an annual percentage rate (APR) of between 5% -8% (depending upon the advertisement)
- b. That it is “PAID MONTHLY”
- c. A comparison of the offered APR to that of a CD paying “about 1.5% APR”

d. The investment is “SAFE” or “EVERY DOLLAR is backed by a MAJOR INSURANCE COMPANY!”

51. The Defendants tell investors that all investor monies are kept in an attorney’s trust account that is FDIC insured prior to the purchase of Letters of Protection that meet Tri-Med’s purchase criteria.

52. Contrary to the above representation, less than 25% of the investors’ funds have been sent to the law firm.

53. Additionally, the Defendants state that Tri-Med backs each Letter of Protection investment and that if an account receivable backed by a Letter of Protection is not paid within the 24 month period or if the amount received is less than the full amount of the account receivable backed by a Letter of Protection, then Tri-Med will pay to the investor, the difference so the investor will receive the full amount of the investors original investment, in addition to the interest paid.

54. Investors make payment of their principal investment to Tri-Med.

55. In return, the investors receive an investment agreement in the form of a document titled “Monthly Income Agreement /Receipt.”

56. The investment agreements provide that:

- a. Tri-Med will pay the investor a specified fixed rate of interest, between 5% - 8% depending upon the specific investment agreement, in monthly installments in exchange for their investment.
- b. “Until an appropriate case is identified and funded, Investor funds will be **held in trust at the law firm of Marlowe McNabb, P.A. ... under the sole control of Stephen D. Marlowe.**”

- c. Investors do not have any “right, power or ability to influence the selection of appropriate cases.”
- d. If a case takes longer than 24 months to settle, the investor can choose to continue receiving monthly payments or the investor can demand the “immediate return of the amount initially invested and allocated to that particular case.”
- e. If the underlying case is dropped or lost in litigation, Tri-Med “agrees to immediately replace the current [Letter of Protection] with an equivalent [Letter of Protection].”

57. Some investment agreements, contain a disclosure stating in part:

**THIS INVESTMENT HAS BEEN SUBMITTED TO THE
STATE OF FLORIDA OFFICE OF FINANCIAL
REGULATION AS AN EXEMPT SECURITY.**

58. Contrary to this representation, the investment agreements have not been submitted to the OFR.

59. The investment agreements incorporate a receipt for the investors’ funds.

60. The investors subsequently receive a confirmation letter from Tri-Med thanking them for their deposit into the “TriMed Investment Program.”

61. The confirmation letter proceeds to inform the investor that:

Your funds have been placed in an FDIC Insured Trust Account under the control and direction of one of Florida’s most respected law firms, Marlowe McNabb, P.A.

62. Contrary to the above representation to the investors, of the \$13 million received from investors, Tri-Med has placed only \$2.8 million into the Marlowe McNabb, P.A. Trust Account.

63. The confirmation letter then provides that “[w]ithin approximately sixty to ninety days, the physician’s lien on the insurance company proceeds will be reassigned to you. ... As promised you will receive your first interest check on [the first of the month following the date of the investment] and on the 1st day of each month thereafter, until the case has settled and your principle [*sic*] is returned in full.”

64. The Defendants fail to inform investors that in actuality the investor will begin receiving interest checks from their own and/or other investors’ funds.

65. Investors subsequently receive an “Assignment of Interest” from Tri-Med in the purported accounts receivable backed by a Letter of Protection that Tri-Med purchases from the medical providers (“Assignment of Interest”).

66. The Assignments of Interest received by the investors equal the total amount invested.

67. The Assignment of Interest contains the name of the insurance company that is purportedly responsible for the particular Letter of Protection claim.

68. The OFR contacted two of the insurance companies named within the various Assignments of Interest given to investors.

69. Both of the contacted insurance companies denied sending any payments to Tri-Med.

70. Contrary to the above claims of legitimate business, the Defendants have operated and are operating a classic Ponzi scheme. Since 2011 over \$13 million of new

and reinvested investor money was used to pay the claims for principal and interest to investors. These disbursements lulled investors into the false belief that Tri-Med was and is operating as represented, when in fact it is not.

THE FLOW OF FUNDS

71. Between October 2011 and November 2012, Tri-Med operated up to 13 various accounts at Bank of America.

72. In October 2012, Tri-Med opened 12 accounts at a Wells Fargo Florida branch office.

73. Funds originally remaining within the Bank of America accounts at their closing were transferred to Wells Fargo Accounts.

74. In October 2013, Tri-Med opened an additional account at a Wells Fargo Florida branch office.

75. All 13 accounts remained active at the time this suit was filed.

76. Checks, drafts and wires payable to Tri-Med were deposited into one of Tri-Med's Wells Fargo accounts.

77. Tri-Med moved monies, made up mostly from investor deposits, amongst its 13 Wells Fargo Accounts.

78. Nicholas, III is a signatory on all of the Wells Fargo accounts.

79. Anderson is a signatory on two of the Wells Fargo accounts.

80. Tri-Med's bank account records from account opening through October 2013, have been analyzed by the OFR and indicate the following:

- a. Investors' funds of \$13,074,661.42 were deposited into Tri-Med's accounts.

- b. An additional \$2,230,001.44 was deposited into Tri-Med's accounts from other sources.
- c. The total income into Tri-Med's Wells Fargo Accounts is \$15,304,662.86.
- d. Tri-Med has spent \$11,032,545.63, the majority of which is investor monies.
- e. Tri-Med sent only \$2,844,395.52 of the \$13,074,661.42 raised from investors to Marlowe McNabb, P.A.
- f. TMA received \$1,560,320.76 from Tri-Med
- g. Anderson received \$304,605.93 from Tri-Med.
- h. Nicholas, III received \$732,852.87 from Tri-Med.
- i. Nicholas, Jr., received \$416,700.00 in investor monies from Tri-Med.
- j. As of February 10, 2014, Tri-Med's cumulative balances at Wells Fargo were \$4,064,872.84.

81. Funds TMA receives from Tri-Med are deposited into TMA's Homebanc account.

82. Simmons and I. Ager are signers on the TMA account at Homebanc.

83. TMA disperses payments, drawn upon its Homebanc account, to the independent sales agents for their commission for selling the Tri-Med Letter of Protection investment

84. Tri-Med additionally transferred in excess of \$450,000.00 of investors' monies from its bank account to TMFL's bank account at Wells Fargo on the following dates.

- a. September 23, 2013: \$100,000.00;
- b. October 28, 2013: \$145,000.00;
- c. November 6, 2013: 175,298.41;
- d. January 15, 2014: 30,000.00.

85. The funds received by TMFL were used to purchase and renovate two residential properties in Florida.

- a. 11029 117th Street, Seminole, FL 33778; and
- b. 9035 St. Regis Lane, Port Richey, FL 34668.

THE TRI-MED INVESTMENT PROGRAM IS A "SECURITY"

86. Section 517.021, Florida Statutes, entitled Definitions, provides at subsection (20) the following definition of a security:

(20) "Security" includes any of the following:

- (a) A note.
- (f) An evidence of indebtedness.
- (q) An investment contract.

87. The Defendants offered and sold "securities" as defined by § 517.021(20)(a), (f), and (q), Florida Statutes.

88. Each security offered and sold is not a "federal covered security" as defined by § 517.021(10), Florida Statutes.

REGISTRATION STATUS UNDER CHAPTER 517

89. At all times material to this action, the Defendants were not registered as an “issuer,” “dealer” or “associated person” pursuant to the registration provisions of Chapter 517, Florida Statutes.

90. At all times material to this action, each security offered and sold by the Defendants was not registered as a “security” pursuant to the registration provisions of Chapter 517, Florida Statutes.

FRAUD AND RECEIVERSHIP PROVISIONS UNDER CHAPTER 517

91. Section 517.301, Florida Statutes, entitled Fraudulent transactions; falsification or concealment of facts, provides at section (1)(a)1, 2, and 3, the following:

(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.

92. Section 517.07, Florida Statutes, entitled “Registration of securities,” provides:

(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.

93. Section 517.12, Florida Statutes, entitled "Registration of dealers, associated persons, investment advisers, and branch offices," provides:

(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.

94. Section 517.191(1), Florida Statutes, entitled "Injunctions to restrain violations," provides:

(1) When it appears to the office, either upon complaint or otherwise, that a person has engaged or is about to engage in any act or practice constituting a violation of this chapter or a rule or order hereunder, the office may investigate; and whenever it shall believe from evidence satisfactory to it that any such person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of this chapter or a rule or order hereunder, the office may, in addition to any other remedies, bring action in the name and on behalf of the state against such person and any other person concerned in or in any way participating in or about to participate in such practices or engaging therein or doing any act or acts in furtherance thereof or in violation of this chapter to enjoin such person or persons from continuing such fraudulent practices or engaging therein or doing any act or acts in furtherance thereof or in violation of this chapter. In any such court proceedings, the office may apply for, and on due showing be entitled to have issued, the court's subpoena requiring forthwith the appearance of any defendant and her or his employees, associated persons, or agents and the production of documents, books, and records that may appear necessary for the hearing of such petition, to testify or give evidence concerning the acts or conduct or things complained of in such application for injunction. In such action, the equity courts shall have jurisdiction of the subject matter, and a judgment may be entered awarding such injunction as may be proper.

95. Section 517.191(2), Florida Statutes, provides:

(2) In addition to all other means provided by law for the enforcement of any temporary restraining order, temporary injunction, or permanent injunction issued in any such court proceedings, the court shall have the power and jurisdiction, upon application of the office, to impound and to appoint a receiver or administrator for the property, assets, and business of the defendant, including, but not limited to, the books, records, documents, and papers appertaining thereto. Such receiver or administrator, when appointed and qualified, shall have all powers and duties as to custody, collection, administration, winding up, and liquidation of said property and business as shall from time to time be conferred upon her or him by the court. In any such action, the court may issue orders and decrees staying all pending suits and enjoining any further suits affecting the receiver's or administrator's custody or possession of the said property, assets, and business or, in its discretion, may with the consent of the presiding judge of the circuit require that all such suits be assigned to the circuit court judge appointing the said receiver or administrator.

96. Section 517.191(3), Florida Statutes, provides as follows:

(3) In addition to any other remedies provided by this chapter, the office may apply to the court hearing this matter for an order of restitution whereby the defendants in such action shall be ordered to make restitution of those sums shown by the office to have been obtained by them in violation of any of the provisions of this chapter. Such restitution shall, at the option of the court, be payable to the administrator or receiver appointed pursuant to this section or directly to the persons whose assets were obtained in violation of this chapter.

COUNT I
SECURITIES FRAUD: § 517.301(1)(a)1, 2, 3

97. Paragraphs 1 through 96 are hereby re-alleged and are incorporated herein by reference.

98. The Defendants in connection with the offer and sale of an investment or security did employ various devices, schemes, or artifice to defraud investors; did obtain money or property by means of an untrue statement of a material fact or omissions to state a material fact; and did engage in transactions, practices, or a course of business that operates or operated as a fraud or deceit upon the investors, each on at least 232 occasions.

99. By reason of the foregoing, the Defendants violated and unless enjoined, may continue to violate § 517.301(1)(a)1, 2, 3, Florida Statutes.

100. Pursuant to § 517.191, Florida Statutes, Plaintiff OFR is entitled to an injunction and other equitable relief requested below.

COUNT II
SALE OF UNREGISTERED SECURITIES
WITHIN FLORIDA: § 517.07

101. Paragraphs 1 through 96 are hereby re-alleged and are incorporated herein by reference.

102. Defendants offered and sold unregistered securities within the state of Florida on at least 232 occasions.

103. By reason of the foregoing, the Defendants violated and unless enjoined, may continue to violate § 517.07(1), Florida Statutes.

104. Pursuant to § 517.191, Florida Statutes, Plaintiff OFR is entitled to an injunction and other equitable relief requested below.

COUNT III
SALE OF SECURITIES BY UNREGISTERED DEALER,
ISSUER OR ASSOCIATED PERSON: § 517.12(1)

105. Paragraphs 1 through 96 are hereby re-alleged and are incorporated herein by reference.

106. Defendants offered and sold securities, from offices within the State of Florida or to persons within the State of Florida, on at least 232 occasions.

107. By reason of the foregoing, the Defendants violated and unless enjoined, may continue to violate § 517.12(1), Florida Statutes.

108. Pursuant to § 517.191, Florida Statutes, Plaintiff OFR is entitled to an injunction and other equitable relief requested below.

COUNT IV
ACTION TO ENJOIN DEFENDANTS
AND RELIEF DEFENDANT AS AUTHORIZED BY § 517.191(1)

109. Paragraphs 1 through 96 are hereby re-alleged and are incorporated herein by reference.

110. As alleged in Counts I through III, the Defendants have engaged in acts and practices in violation of Chapter 517, Florida Statutes.

111. Relief Defendant TMFL is “concerned in” the Defendants’ violative acts and practices by having received portions of the ill-gotten gains generated by the Defendants schemes, misrepresentations, omissions, and registration violations.

112. Relief Defendant TMFL has participated in the practices of the Defendants “in any way” by accepting the transfer of investors’ monies.

113. Pursuant to § 517.191(1), Florida Statutes, the OFR is entitled to the issuance of an injunction against each Defendant to enjoin such persons from continuing such fraudulent practices or engaging therein or doing any act or acts in furtherance thereof or in violation of Chapter 517, Florida Statutes.

IRREPARABLE INJURY
AND INADEQUACY OF REMEDY AT LAW

114. The OFR is not obligated to allege or establish irreparable injury or inadequacy of remedy at law as §§ 517.191(1) and 517.201(4)(a), Florida Statutes, provides the conditions for the issuance of injunctive relief.

115. The OFR also notes that when a government entity seeks an injunction in order to enforce its police power, any alternative remedy is ignored and irreparable harm is presumed.

116. Plaintiff OFR nonetheless notes that the evidence indicates that in excess of \$13 million in funds have been taken from Florida residents under false pretenses by Defendants who are not authorized by law to engage in securities activities. This ongoing nature of this fraud is further evidenced by the Defendants continuing solicitation for investments into the Letter of Protection scheme, as well as paying out previous investors with funds from new investors. Thus, irreparable injury has occurred, is occurring, and will continue to occur absent injunctive relief from this court.

**APPLICATION FOR APPOINTMENT OF RECEIVER
AS AUTHORIZED BY § 517.191(2)**

117. The facts set forth in this Verified Complaint detail not only the reckless use of investor funds but also that the Defendants are clearly operating a fraudulent securities or investment scheme. The Defendants have no legal authority whatsoever to operate as a securities issuer or dealer. Taking this enterprise out of the control of the Defendants is clearly in the public interest.

118. In addition to protecting the public interest, the facts detailed throughout this Verified Complaint also indicate the possibility that funds may be moved beyond the jurisdiction of this Court or to locations where the assets could not be recovered for the investors. Appointment of a receiver under the direction of this Court will also facilitate the location and protection of remaining assets and facilitate disgorgement of the ill-gotten gains.

119. Pursuant to the remedies set forth in § 517.191(2), Florida Statutes, the OFR herein applies and requests the appointment of a receiver over the assets of the following two Defendants:

1. TRI-MED CORPORATION,
2. TRI-MED ASSOCIATES INC.,

120. Additionally, Defendants operated TMFL as an alter ego of Tri-Med by transferring investor funds for the purchase of real property by TMFL.

121. Pursuant to the remedies set forth in § 517.191(2), Florida Statutes, and the Court's inherent authority to impose an equitable receivership, the OFR requests the appointment of a Receiver to take possession of the assets of Relief Defendant TMFL Holdings, LLC.

**APPLICATION FOR RESTITUTION ORDER
AGAINST THE DEFENDANTS AND RELIEF DEFENDANT
AS AUTHORIZED BY § 517.191(3)**

122. The OFR herein applies and requests orders of restitution against each of the Defendants and the Relief Defendant for disgorgement of the ill-gotten gains in amounts to be established at a later time pursuant to the remedies set forth in § 517.191(3), Florida Statutes.

RELIEF REQUESTED

WHEREFORE, Plaintiff OFR respectfully requests that this Court utilize its legal and equitable powers as follows:

A. Enter a temporary and permanent injunction against all the Defendants and the Relief Defendant, and each of their agents, servants, employees and attorneys and any

other person concerned in, or in any way participating in or about to participate with them in the offer or sale of any security or investment in violation of §§ 517.301, 517.07, 517.12, Florida Statutes, and from any act or acts in furtherance thereof or in violation of Chapter 517, Florida Statutes.

B. Appoint a Receiver over the assets of Tri-Med Corporation, Tri-Med Associates Inc. and TMFL Holdings, LLC

C. Enter an order prohibiting the Defendants and Relief Defendant from accepting or depositing additional funds raised from investors.

D. Enter an order requiring all Defendants and the Relief Defendant to submit an accounting of investor funds and other assets in their possession whether or not associated directly with Letters of Protection or other deposits.

E. Enter an order of restitution requiring the Defendants and the Relief Defendant to disgorge ill-gotten gains and unjust enrichment equal to the amount of investor funds received.

F. Enter an order prohibiting the alteration or destruction of relevant documents.

G. Enter an order requiring the repatriation of all assets abroad, which were obtained or derived from the illegal sale of securities.

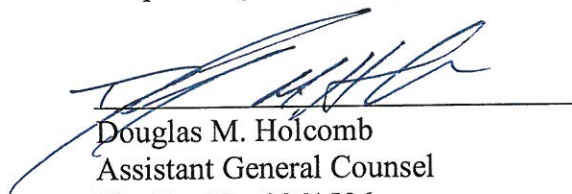
H. Enter an order freezing the Defendants' and the Relief Defendant's assets, including all assets held for the direct or indirect benefit, or subject to the direct or indirect control, of the Defendants and the Relief Defendant pending a showing to the satisfaction of the Court that each Defendant has satisfied the conditions identified in A through G herein.

I. Enter an order allowing expedited discovery as pertains to any issues arising under A through H above.

J. Enter an order imposing civil penalties on the Defendants pursuant to § 517.191(4), Florida Statutes.

Respectfully submitted,

Dated: May 12, 2014



Douglas M. Holcomb
Assistant General Counsel
Fla. Bar No. 0061506
State of Florida
Office of Financial Regulation
400 West Robinson Street, Suite S-225
Orlando, Florida 32801-1799
(407) 245-0608
Douglas.Holcomb@flofr.com