

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	Civil Action No. 14-cv-5057
v.	:	
	:	JURY TRIAL DEMANDED
SHERWIN P. BROWN and JAMERICA FINANCIAL, INC.,	:	
	:	
Defendants.	:	

COMPLAINT

Plaintiff United States Securities and Exchange Commission (“SEC”) alleges as follows:

NATURE OF ACTION

1. The SEC brings this action as a related case to *SEC v. Brown*, No. 06-cv-01213-JRT-FLN (D. Minn.) to prevent Defendant Sherwin P. Brown (“Brown”) from continuing to as associate with an investment adviser in violation of an SEC bar order, along with other appropriate relief.

2. Despite having been barred by the SEC from as associating with an investment adviser, Brown has continued to do just that, by associating with his investment adviser company, Defendant Jamerica Financial, Inc. (“Jamerica”) and, in the alternative, by acting in association with himself as an investment adviser in his individual capacity. On June 17, 2011, the SEC issued an Order (the “2011 Order,”

attached hereto as Exhibit A), barring Brown and Jamerica from association with any investment adviser. Since that time, apparently without interruption, Brown has continued to control Jamerica, to provide investment advice to its clients, and to receive, along with Jamerica, compensation from Jamerica's clients for that investment advice and he has done so without having received (or even sought) the consent of the SEC.

3. By engaging in such conduct, Brown has violated the 2011 Order as well as Section 203(f) of the Investment Advisers Act of 1940 (the "Advisers Act") [15 U.S.C. § 80b-3(f)]. For its part, by continuing to allow a barred individual to associate with the firm, Jamerica has also violated Section 203(f) of the Advisers Act.

4. The SEC brings this action seeking: (a) injunctions against future violations; (b) disgorgement of ill-gotten gains; and (c) civil money penalties.

JURISDICTION AND VENUE

5. The SEC brings this action pursuant to Sections 209(d) and 209(e) of the Advisers Act [15 U.S.C. § 80b-9(d)-(e)].

6. This Court has jurisdiction over this action pursuant to Section 214 of the Advisers Act [15 U.S.C. § 80b-14], and 28 U.S.C. § 1331.

7. Venue is proper in this Court pursuant to Section 214 of the Advisers Act [15 U.S.C. §80b-14].

8. Acts, practices, and courses of business constituting violations alleged in this complaint have occurred within the jurisdiction of the United States District Court for the District of Minnesota and elsewhere. Defendant Jamerica is a resident of this District.

9. Defendants, directly and indirectly, made use of the means and instrumentalities of interstate commerce and of the mails in connection with the acts, practices, and courses of business alleged in this complaint. Defendants will, unless enjoined, continue to engage in the acts, practices, and courses of business set forth in this complaint, and acts, practices, and courses of business of similar purport and object.

DEFENDANTS

10. **Jamerica Financial, Inc.** is an active corporation organized under the laws of Minnesota. Jamerica is controlled by Defendant Brown and has its principal place of business in Boca Raton, Florida. Jamerica provides investment advisory services to clients in several states, including Minnesota.

11. **Sherwin P. Brown** resides in Boca Raton, Florida. Brown is the president of Jamerica Financial, Inc. As Jamerica's president and its only employee, Brown is solely responsible for Jamerica's operations, including the advisory services it provides to its clients. In addition to his continuing activities with Jamerica, Brown also runs a website, www.theofficialmoneycoach.com, on which he promotes books he has authored, including one entitled, "Safer 401(k) Investing: How to Protect All Your Investments from Wall Street Greed and the Government."

FACTS

I. Brown and Jamerica Enjoined From Violating Securities Laws and Barred From Association with Any Investment Adviser.

12. In March 2006, the SEC filed suit in the United States District Court for the District of Minnesota against Brown, Jamerica, and Brawta Ventures, LLC (“Brawta”), a purported private fund organized and controlled by Brown.

13. In that case, entitled *SEC v. Brown*, No. 06-cv-01213-JRT-FLN (D. Minn.), the Honorable John R. Tunheim entered an order on September 30, 2008 granting the SEC’s motion for summary judgment and finding that over half of some \$1.62 million that Brown had received for investment purposes in Brawta had either been diverted to Brown or Jamerica or could not be accounted for.

14. The Court enjoined Brown and Jamerica from violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, and Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 and Rule 204-2 thereunder and ordered Brown, Jamerica, and Brawta, jointly and severally, to disgorge \$869,633 plus prejudgment interest and imposed an \$80,000 civil penalty on Brown and a \$400,000 civil penalty on Jamerica.

15. The Court entered a final, appealable judgment against Brown and Jamerica on April 30, 2010, which Brown appealed to the United States Court of Appeals for the Eighth Circuit.

16. On October 13, 2011, the United States Court of Appeals for the Eighth Circuit affirmed the judgment of the District Court.

17. Pursuant to Sections 203(e) and 203(f) of the Advisers Act [15 U.S.C. § 80b-3(e)-(f)], the SEC issued an Order Instituting Administrative Proceedings against Brown and Jamerica in May 2010. The administrative law judge in those proceedings issued an initial decision on November 29, 2010, which Brown appealed to the SEC. On Brown's appeal, the SEC issued the 2011 Order (Exhibit A hereto) that revoked Jamerica's registration as an investment adviser and barred Brown and Jamerica from association with any investment adviser.

II. Brown Continues to Provide Investment Advisory Services for Compensation in Violation of the 2011 Order.

18. After the issuance of the 2011 Order, Brown has continued to provide investment advisory services for compensation to a number of clients located in several states, including Minnesota.

19. Between June 30, 2011 and May 8, 2014, an account in the name of Jamerica Financial, Inc. at Wells Fargo Bank (the "Jamerica Account") received more than \$330,000 by way of more than 120 check deposits drawn on more than 40 different accounts. All of these checks were made payable to Brown, Jamerica, or both of them.

20. A number of the checks deposited into the Jamerica Account between June 30, 2011 and May 8, 2014 include memo lines stating that the checks were written to pay either Brown or Jamerica for investment advisory services.

21. For example, a check dated June 30, 2011 in the amount of \$6,726.57, payable to Jamerica, Inc. and deposited into the Jamerica Account contains a memo line

reading, "2012 Advisory Fees." The owner of the account upon which this check was drawn has an address in Mendota Heights, Minnesota.

22. Another check dated September 28, 2011 in the amount of \$2954.51, payable to Jamerica Financial, Inc. and deposited into the Jamerica Account contains a memo line that reads "2012 Portfolio Mgmt Fee." The owner of the account upon which this check was drawn has an address in Mahtomedi, Minnesota.

23. Another check dated April 11, 2012 in the amount of \$3,185.88, payable to Jamerica Financial and deposited into the Jamerica Account contains a memo line that reads "2013 Financial Mgmt Services." The owner of the account upon which this check was drawn has an address in Roseville, Minnesota.

24. More than half of the owners of accounts that made check payments into the Jamerica Account appear on a list of Jamerica's "Active Accounts" as of February 1, 2006.

25. Certain of the current clients of Brown and/or Jamerica have confirmed that Brown has advised them with respect to their financial investments after June 17, 2011, that he continues to provide them with advice concerning their financial investments, and that they pay Brown for that advice, either directly or through Jamerica.

26. Signature cards for the Jamerica Account list Brown as the sole authorized signer for the account.

27. Signature cards for Brown's savings account at Wells Fargo Bank, signed by Brown on January 9, 2014, list "Jamerica, Inc." as Brown's current employer.

28. Since the issuance of the 2011 Order, neither Brown nor Jamerica has sought the consent of the SEC to act as or to associate with an investment adviser.

29. Since the issuance of the 2011 Order, the SEC has not consented to Brown acting as or associating with an investment adviser.

30. Since the issuance of the 2011 Order, the SEC has not consented to Jamerica acting as or associating with an investment adviser.

COUNT I

Violations of the 2011 Order (Against Sherwin Brown)

31. Paragraphs 1 through 30 are alleged and incorporated by reference as though fully set forth herein.

32. By engaging in the conduct described above, Defendant Brown willfully became or was associated with an investment adviser without the consent of the SEC. When Defendant Brown engaged in the conduct described above, the 2011 Order was in effect and he knew, or in the exercise of reasonable care, should have known of the existence of the 2011 Order.

33. By engaging in the conduct described above, Defendant Brown has violated the 2011 Order.

COUNT II

Violations of Section 203(f) of the Advisers Act (Against Sherwin Brown)

34. Paragraphs 1 through 30 are alleged and incorporated by reference as though fully set forth herein.

35. By continuing to maintain financial control over Jamerica, to maintain contact with Jamerica clients, to provide investment advice to Jamerica clients, and to receive compensation for providing that advice, Defendant Brown willfully acted as an investment adviser and willfully associated with an investment adviser, Jamerica, without the consent of the SEC after he and Jamerica had been barred by the SEC.

36. By reason of the foregoing, Defendant Brown violated Section 203(f) of the Advisers Act [15 U.S.C. § 80b-3(f)].

COUNT III

Violations of Section 203(f) of the Advisers Act (Against Jamerica Financial, Inc.)

37. Paragraphs 1 through 30 are alleged and incorporated by reference as though fully set forth herein.

38. By allowing Defendant Brown to continue to main financial control over Jamerica, to maintain contact with Jamerica clients, to act as investment adviser to Jamerica clients, and to receive compensation for providing that advice, Defendant Jamerica permitted Defendant Brown to remain associated with the firm without the consent of the SEC, while it knew the SEC had barred him from associating with an investment adviser.

39. By reason of the foregoing, Defendant Jamerica violated Section 203(f) of the Advisers Act [15 U.S.C. § 80b-3(f)].

RELIEF REQUESTED

WHEREFORE, the SEC respectfully requests that this Court:

I.

Find that Defendants committed the violations charged in this complaint.

II.

Enter an order of permanent injunction as to Defendants, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, enjoining Defendants, and their agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of the order, by personal service or otherwise, and each of them from, directly or indirectly, engaging in the transactions, acts, practices, or courses of business described above, or in conduct of similar purport and object, that violate, or aid and abet violations of, the 2011 Order, provisions of law, and rules alleged in this complaint.

III.

Enter an order requiring Defendants to disgorge all ill-gotten gains, including prejudgment interest, they received as a result of the violations charged in this complaint.

IV.

Enter an order imposing upon Defendants appropriate civil penalties pursuant to Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

V.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that are entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VI.

Grant such other and further equitable relief as this Court deems appropriate and necessary.

* * *

JURY DEMAND

The SEC demands a trial by jury.

Dated: December 23, 2014

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION**

s/ Charles J. Kerstetter

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UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Rel. No. 3217 / June 17, 2011

Admin. Proc. File No. 3-13908

In the Matter of

SHERWIN P. BROWN
and
JAMERICA FINANCIAL, INC.
5030 Champion Blvd. Suite #G6-456
Boca Raton, FL 33496-2473

ORDER IMPOSING REMEDIAL SANCTIONS

On the basis of the Commission's Opinion issued this day, it is

ORDERED that Sherwin P. Brown and Jamerica Financial, Inc. be, and they hereby are, barred from association with any investment adviser, and it is further.

ORDERED that the registration of Jamerica Financial, Inc. as an investment adviser be, and it hereby is, revoked.

By the Commission.

Elizabeth M. Murphy
Secretary