

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 94659 / April 8, 2022

ADMINISTRATIVE PROCEEDING

File No. 3-20815

In the Matter of

CHARLES SMIGROD,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Charles Smigrod (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III below: and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. From April 2009 through December 2015, Respondent acted as an unregistered broker by directly soliciting investors to purchase shares of Sanomedics International Holdings Inc. ("Sanomedics") and Fun Cool Free ("FCF") stock, from a telephone sales room located in Miami Lakes, Florida. During the relevant period Respondent was not registered with the Commission pursuant to Section 15(a) of the Exchange Act nor was he associated with any registered broker-dealer. Respondent, 74 years old, is a resident of Fort Lauderdale, Florida.

2. On September 22, 2016, Respondent was indicted on two counts of conspiracy to commit mail and wire fraud in violation of Title 18, United States Code, Section 1349, and one count of mail fraud in violation of Title 18, United States Code, Section 1341. On June 22, 2017, after a jury trial, Respondent was convicted of two counts of conspiracy to commit mail and wire fraud in violation of Title 18, United States Code, Section 1349, and one count of mail fraud in violation of Title 18, United States Code, Section 1341 before the United States District Court for the Southern District of Florida, in *United States v. Sizer, et al.*, Case No. 1:16-CR-20715. Respondent was sentenced to a prison term of 48 months followed by three years of supervised release and ordered to make restitution in the amount of \$23,733,000.

3. The counts of the indictment which the Respondent was convicted alleged, among other things, that Respondent knowingly devised and intended to devise a scheme and artifice to defraud others and obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and that he knowingly transmitted and caused to be transmitted mail matter in furtherance of the scheme.

4. From April 2009 through August 2015, Respondent acted as an unregistered broker offering and selling securities in Sanomedics to individual investors. Respondent, going by the name "Charles David," represented to investors that he was an employee of Sanomedics and that for a limited time only, a "limited number" of shares of Sanomedics stock were available to them at a steep discount; no commissions or fees would be charged to investors; Sanomedics was a "safe investment," "profitable investment," and one where "you won't lose money;" Sanomedics' largest shareholder and board member was the former Chief Executive Officer of Apple Inc. and president of PepsiCo; a television personality known as "the Dog Whisperer" would soon become a spokesperson for Sanomedics' pet thermometer; Sanomedics was developing contracts to sell non-contact thermometers to emergency rooms, telehealth providers, the military, the Transportation Security Administration, and purchasing its own emergency rooms; Sanomedics would be trading on NASDAQ within weeks; and failed to disclose resale restrictions on Sanomedics shares.

5. Additionally, from August 2014 through December 2015, Respondent acted as an unregistered broker offering and selling securities in FCF to individual investors. Respondent, going by the name "Charles David," represented to investors that he was an employee of FCF and providing investors a unique opportunity to purchase a "limited number of shares" directly from the company; sales agents were personally invested in the company making significant money

from their investment; FCF would have an initial public offering within a couple weeks or a month, with a trading price of \$5 to \$15; and that the former Chief Executive Officer of Apple Inc. and president of PepsiCo was a large investor in the company, and was also on the Board of Directors. Respondent used a burner phone to continue to try to sell securities and did contact several of the victims. Respondent received \$148,000.00 in the form of commissions from the sale of Sanomedics and FCF stock.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman
Secretary