

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.:

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
)
JENNY E. COPLAN,)
)
Defendant.)
_____)

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

Plaintiff Securities and Exchange Commission alleges as follows:

I. INTRODUCTION

1. The Commission brings this action to enjoin Jenny E. Coplan, from further violations of the anti-fraud and registration provisions of the federal securities laws.

2. From no later than January 2009 until at least October 2011, Coplan, directly and through her company, Immigration General Services, LLC (“Immigration Services”), operated an affinity fraud and Ponzi scheme. Coplan raised approximately \$4 million from more than 90 investors, many of whom were Colombian-Americans and Colombians living in Florida, by selling them securities in the form of promissory notes and investment contracts.

3. Coplan solicited investments in Immigration Services promising from five to nine percent monthly interest. Coplan told prospective investors this was a safe investment and their money was FDIC insured.

4. To lure investors, Coplan told them Immigration Services operated through an investment broker that would invest funds in immigration bail bonds. These statements were

false. Coplan never placed investors' funds with an investment broker to make a profit. Instead, she misappropriated approximately \$878,000 of investors' funds for her own personal use.

5. To conceal her unlawful conduct, Coplan paid purported profits to earlier investors using funds from newer investors in classic Ponzi scheme fashion. Coplan also provided fictitious investor statements indicating their investments were intact and profitable.

6. Coplan also provided at least two investors a statement of financial condition claiming it belonged to the bail bond investment broker. In truth, however, these statements bore no connection to any bail bond investment broker.

7. Through her conduct, Coplan violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]; Sections 10(b) Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5]. Coplan also violated Section 15(a) of the Exchange Act [15 U.S.C. §§ 78o(a)].

8. The Commission asks the Court to enter: (1) a permanent injunction restraining and enjoining Coplan from violating the federal securities laws; (2) an order directing Coplan to disgorge all ill-gotten gains, with prejudgment interest; and (3) an order directing Coplan to pay civil penalties.

II. DEFENDANT AND RELATED ENTITIES

A. DEFENDANT

9. **Coplan**, age 54, resides in Tamarac, Florida. Coplan was the managing member and acting president of Immigration Services from July 2006 until September 2012. Coplan was also the managing member of Immigration General Services Center LLC ("Immigration Center") and president of Immigration General Services Consulting Group, Inc. ("Immigration Consulting"). Coplan has never been registered with the Commission in any capacity.

B. RELATED ENTITIES

10. **Immigration Services** is an inactive Florida limited liability company organized in April 2006 and administratively dissolved in September 2012. Its principal place of business was in Lauderhill, Florida. Immigration Services has never registered an offering of securities under the Securities Act or a class of securities under the Exchange Act, and has never been registered with the Commission in any capacity.

11. **Immigration Center** is an inactive Florida limited liability company organized in June 2011 and administratively dissolved in September 2012. Its principal place of business was in Lauderhill, Florida. Immigration Services has never registered an offering of securities under the Securities Act or a class of securities under the Exchange Act, and has never been registered with the Commission in any capacity.

12. **Immigration Consulting** is an inactive Florida limited liability company organized in October 2009 and administratively dissolved in September 2012. Its principal place of business was in Lauderhill, Florida. Immigration Services has never registered an offering of securities under the Securities Act or a class of securities under the Exchange Act, and has never been registered with the Commission in any capacity.

III. JURISDICTION AND VENUE

13. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)]; and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

14. This Court has personal jurisdiction over Coplan and venue is proper in the Southern District of Florida because the Coplan's acts and transactions constituting violations of the Securities Act and the Exchange Act occurred in the Southern District of Florida. Immigration

Services' principal place of business during the relevant period was in the Southern District of Florida, Coplan solicited investors from Immigration Services' office, and Coplan resided in the Southern District of Florida during all times relevant to the conduct alleged herein.

15. In connection with the conduct alleged in this Complaint, Coplan, directly and indirectly, singly or in concert with others, made use of the means and instrumentalities of interstate commerce, the means and instruments of transportation and communication in interstate commerce, and the mails.

IV. COPLAN'S FRAUDULENT INVESTMENT SCHEME

A. Background

16. Coplan, who is herself a member of the Colombian-American community, developed relationships with other Colombian-Americans and Colombian immigrants through a business she operated providing immigration services. Coplan then offered individuals the opportunity to invest in Immigration Services and the bail bond program.

17. In about June 2009, Coplan told at least one investor that this was an investment opportunity she offered to her friends and family initially, and then later opened it to everyone. Coplan also told prospective investors she wanted to help them achieve financial stability. To cultivate potential investors, Coplan sometimes mingled with investors' friends and family members at their social gatherings. A large number of at least one investor's friends and family members invested.

B. Coplan's Offer and Sale of Securities

19. From no later than January 2009 until at least October 2011, Coplan, directly and through Immigration Services, offered and sold securities in the form of promissory notes and investment contracts.

20. No registration statement has been filed or was in effect with the Commission in connection with the securities Immigration Services offered. Nor was Immigration Services entitled to any registration exemption.

21. Coplan actively solicited investors and marketed the investment primarily through personal discussions, both in person and in telephone conversations. Many of these potential investors were Colombian-Americans and Colombians living in Florida who had little or no investment experience.

22. Coplan paid investors for referring their family and friends to her if they invested in Immigration Services. Investors had no involvement in providing prospective investors the details or soliciting their investment. Investors who heard about the investment from existing investors did not have a prior relationship with Coplan.

23. In March 2010, Coplan told at least one investor she would give his investment funds to a broker in connection with bail bonds. Coplan also said she would serve as the middleman, and the broker would invest the funds in bail bonds.

24. Coplan and Immigration Services also told prospective investors about the safety of investment principal. Specifically, Coplan told one investor that Immigration Services would wire transfer his investment funds to the supposed investment broker's escrow account, which was FDIC guaranteed.

25. Coplan told another investor that his investment was very secure because the supposed investment broker secured all investments with the detained immigrants' collateral property. Coplan also told this investor that he was not going to lose his money because if detained immigrant failed to pay their bail bond the broker would take action against the detainee's property.

26. Coplan, in her capacity as president of Immigration Services, entered into investment contracts with investors. Immigration Services and Coplan sold the notes and contracts to investors in Florida, California, Georgia, Texas, Canada, and Colombia.

27. Investors signed both the promissory note and investment contract simultaneously. Both the promissory notes and the investment contracts were between the investor and Immigration Services, and Coplan signed both on behalf of the company.

28. The promissory notes, entitled "Unsecured Promissory Note," were for a term of 180 days and reflected interest ranging from five to nine percent monthly. The investment contracts stated the same duration and return or "profit" rate as the corresponding promissory notes.

29. The investment contracts allowed investors to withdraw their principal at the end of the 180-day term if they gave prior notice. If the investors failed to provide such notice, the notes automatically renewed for another 180 days.

30. Investors regularly allowed their promissory notes and investment contracts to automatically renew. Coplan also offered some investors higher rates of return if they invested additional funds, and Coplan then applied the new rate to the total amount invested.

31. Coplan provided some investors the promissory notes and investment contracts through U.S. mail and e-mail.

C. Misrepresentations and Omissions

1. Extraordinary Investment Returns

32. Coplan promised investors, orally and in writing, extraordinarily high rates of return on their investments. Coplan promised investors fixed interest rates ranging from five to nine percent monthly, which is 60 to 108 percent annually. Coplan offered some investors five

percent profits, and later increased their rate of return to nine percent as they invested more. Immigration Services made the same promises in the investment contracts and promissory notes.

33. Coplan provided investors false monthly account statements showing the investors were earning returns on their investments. These account statements were on Immigration Services' letterhead and reflected the amount of the investors' principal and their purported interest or profit earned. Coplan mailed the account statements to investors.

34. Neither Coplan nor Immigration Services invested any of the funds as promised. Rather, at the time Coplan and Immigration Services made promises of large returns, bank records show they were engaged in a Ponzi scheme.

2. Investment Strategy

35. Coplan told investors Immigration Services would invest their funds with an investment broker for the purpose of providing bail bonds for detained immigrants to make a profit for the investors.

36. In truth, Coplan and Immigration Services made no investments in bail bonds or otherwise and instead used investor funds to operate a Ponzi scheme and for Coplan's personal use.

3. Safety of Investment Principal

37. Coplan and Immigration Services told potential investors their principal investment was safe and secure. The investment contracts also stated that Immigration Services provides "security to all invested funds." Coplan also told investors Immigration Services provided FDIC insurance, and the investment contracts stated that Immigration Services "insures the funds through the FDIC in order to watch over the administration of the invested capitals."

38. Coplan emailed one investor two purported FDIC statements reflecting insured balances of \$107,000 and \$250,000, lulling the investor into continuing to think his investment was safe. This investor received the FDIC statements after he invested and did not make a further investment.

39. These statements were false. Immigration Services never insured investors' funds through the FDIC.

40. Coplan also told some investors the supposed bail bonds were secured by the detained immigrant's collateral, including cash, homes, and automobiles.

41. These statements were also false. In truth, Coplan failed to invest funds in bail bonds.

4. False Statements of Financial Condition

42. Coplan gave at least two investors fictitious financial statements she claimed belonged to the purported bail bond investment broker. The financial statements were dated December 31, 2009 and December 31, 2010, and reflected the same amounts. The heading on one financial statement had the name of the entity blanked out, and the other financial statement identified the company as "XXXXXXXXX, Inc." The notes to the financial statements dated December 31, 2009 stated that "BondsGms, Inc. is the broker and dealer."

43. In truth, the purported bail bond investment brokers did not exist and the financial statements were fictitious.

Use of Proceeds

44. Coplan told investors she would use their funds in connection with providing bail bonds for detained immigrants designed to make a profit for investors.

45. In truth, Coplan used the funds to operate a Ponzi scheme, support her lifestyle, and, to a smaller extent, pay commissions to sales agents and referral fees to investors.

46. Coplan returned more than \$3.1 million to investors as purported interest or profits and principal repayments. Coplan misappropriated at least \$878,000 in investor funds for her own use and the benefit of her family members, including cash withdrawals, debit card transactions, checks payable to herself and deposited funds in her personal bank account. Coplan signed most of the checks with the purported monthly interest payments and deposited or wire transferred those funds directly into the investors' bank accounts.

D. The Scheme Unravels

47. Starting no later than May 2011, the Ponzi scheme began to unravel. Coplan maintained the ruse and continued to sell the promissory notes and investment contracts despite failing to make monthly payments to investors.

48. Coplan blamed the purported investment broker for the delay in payments, telling investors the investment broker held investors' funds to cover deficiencies because Coplan had failed to meet certain monthly investment quotas.

49. Starting no later than June 2011, Immigration Services had virtually no funds in its bank accounts and was unable to honor investors' increasing requests for monthly payments and return of funds. After failing to make payments for four months, Coplan continued the sham and, despite the lack of any profits, falsely represented in a letter to investors that Immigration Services would resume making its monthly payments.

50. From no later than September through at least October 2011, Coplan tried to create a false appearance that Immigration Services was back to business as usual, issuing non-sufficient fund checks to investors purporting to be their monthly profits.

51. Through Coplan's statements, Coplan and Immigration Services were able to raise another \$578,000 in investor funds from no later than June 2011 until at least October 2011.

52. All told, Coplan raised approximately \$4 million from more than 90 investors.

COUNT I

Sale of Unregistered Securities in Violation of Sections 5(a) and 5(c) of the Securities Act

53. The Commission realleges and incorporates paragraphs 9-10, 16-31, and 52-53 of this Complaint.

54. No registration statement was filed or in effect with the Commission pursuant to the Securities Act and no exemption from registration exists with respect to the securities and transactions described in this Complaint.

55. From no later than January 2009 until at least October 2011, Coplan directly and indirectly, (a) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise; (b) carried securities or caused such securities to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale; and (c) made use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise, without a registration statement having been filed or being in effect with the Commission as to such securities.

56. By reason of the foregoing, Coplan directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and 77e(c)].

COUNT II

Fraud in Violation of Section 10(b) and Rule 10b-5 of the Exchange Act

57. The Commission realleges and incorporates paragraphs 1 through 53 of this Complaint.

58. Coplan, from no later than January 2009 until at least October 2011, directly and indirectly, by use of the means and instrumentality of interstate commerce, and of the mails in connection with the purchase or sale of securities, knowingly, willfully or recklessly: (a) employed devices, schemes or artifices to defraud; (b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices and courses of business which operated as a fraud upon the purchasers of such securities.

59. By reason of the foregoing, Coplan, directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

COUNT III

**Fraud in the Offer or Sale of Securities in Violation of
Section 17(a)(1) of the Securities Act**

60. The Commission repeats and realleges paragraphs 1 through 53 of its Complaint as if fully restated herein.

61. From no later than January 2009 until at least October 2011, Coplan directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by use of the mails, in the offer or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes or artifices to defraud.

62. By reason of the foregoing, Coplan, directly or indirectly violated and, unless enjoined, is reasonably likely to continue to violate, Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a).

COUNT IV

Fraud in the Offer or Sale of Securities in Violation of Sections 17(a)(2) and 17(a)(3) Of the Securities Act

63. The Commission realleges and incorporates paragraphs 1 through 53 of this Complaint.

64. Coplan, from no later than January 2009 until at least October 2011, directly and indirectly, in the offer or sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or of the mails: (a) obtained money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; or (b) engaged in transactions, practices and courses of business which operated or would operate as a fraud or deceit upon purchasers and prospective purchasers of such securities.

65. By reason of the foregoing, Coplan, directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

COUNT V

Unregistered Broker-Dealer Conduct in Violation of Section 15(a) of the Exchange Act

66. The Commission realleges and incorporates paragraphs 9-10, 16-31, 45-47, and 52-53 of this Complaint.

67. Coplan, from no later than January 2009 until at least October 2011, directly and indirectly by the use of the means and instrumentalities of interstate commerce, while acting as a broker or dealer engaged in the business of effecting transactions in securities for the accounts of others, effected transactions in securities, or induced or attempted to induce the purchase and sale of securities, without registering as a broker-dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

68. By reason of the foregoing, Coplan directly or indirectly violated, and, unless enjoined, is reasonably likely to continue to violate, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that the Court:

Declaratory Relief

Declare, determine and find that Coplan committed the violations of the federal securities laws alleged in this Complaint.

Permanent Injunctive Relief

Issue a Permanent Injunction, enjoining Coplan, her agents, servants, employees, attorneys, and all persons in active concert or participation with them, and each of them, from violating, directly or indirectly: (I) Sections 5(a) and 5(c) of the Securities Act; (II) Section 10(b) and Rule 10b-5 of the Exchange Act; (III) Section 17(a)(1) of the Securities Act; (IV) Sections 17(a)(2) and 17(a)(3) of the Securities Act; and (V) Section 15(a) of the Exchange Act.

Disgorgement and Prejudgment Interest

Issue an Order requiring Coplan to disgorge all ill-gotten gains, including prejudgment interest, resulting from the acts or courses of conduct alleged in this Complaint.

Civil Money Penalties

Issue an Order directing Coplan to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d); and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

Further Relief

Grant such other and further relief as may be necessary and appropriate.

Retention of Jurisdiction

Further, the Commission respectfully requests that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that it may enter, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

September 30, 2013

Respectfully submitted,

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