

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

RONALD E. FILORAMO,

Defendant.

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

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

I. Introduction

1. This case concerns a multi-year fraud by Ronald E. Filoramo, a registered representative and investment adviser representative associated with a dually-registered financial services firm. Between February 2017 and October 2021, Filoramo misappropriated approximately \$761,000 from two long-standing brokerage customers.

2. Filoramo represented that he would invest the customers’ funds in securities he recommended. Specifically, Filoramo recommended to the customers that they purchase bonds from Filoramo’s purported client. Instead of investing his customers’ funds, Filoramo misappropriated the money for his personal benefit, namely for gambling and related expenses.

3. To conceal his fraud, Filoramo instructed his customers to send their funds directly to the client that was purportedly liquidating his bond position. Filoramo created fake documents that purported to show the bond purchases. In fact, the customers unknowingly transferred their funds to bank accounts controlled by one of Filoramo’s friends who, in turn, transferred the funds to a bank account controlled by Filoramo. No bonds were ever purchased, and Filoramo spent

almost all the money, mainly at casinos.

4. By engaging in the conduct described herein, the Defendant directly violated 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §§ 240.10b-5]. The Commission seeks injunctive relief, disgorgement and prejudgment interest, and civil penalties against the Defendant.

II. Defendant

5. **Filoramo**, 54, is a resident of Coral Springs, Florida. From April 2011 to May 2023, when he was terminated, Filoramo was a registered representative associated with a broker-dealer and investment adviser registered with the Commission.

III. Jurisdiction and Venue

6. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1), and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a)] and Sections 21(d)(1), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d)(1), and 78aa].

7. This Court has personal jurisdiction over Defendant and venue is proper in this Court because Filoramo resides in this district, transacted business in this district, and many of the acts, practices, and courses of business constituting the violations alleged herein occurred within the Southern District of Florida.

8. Filoramo has, directly or indirectly, made use of the means and instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange in connection with the acts, transactions, practices, and courses of business alleged in this Complaint, and will continue to do so unless enjoined.

IV. Facts

9. From February 2017 through October 2021, Filoramo misappropriated approximately \$761,000 from two long-standing brokerage customers (the “Customers”). Filoramo misappropriated approximately \$61,444 from Customer A, a husband and wife, in one transaction. Filoramo misappropriated approximately \$700,000 from Customer B, an elderly investor who controlled several accounts for his wife, children, and grandchildren.

10. The Customers’ brokerage accounts at issue were maintained at a Commission registered broker-dealer and investment adviser.

11. Beginning in February 2017, Filoramo started recommending to these two long-standing customers that they invest in certain bonds purportedly owned by a wealthy client of Filoramo who, according to Filoramo, wanted to liquidate his position in each bond. Filoramo would represent to the Customers that the bonds were high-yielding. Because the bonds were purportedly owned by Filoramo’s client, Filoramo instructed the Customers to make their investments directly to that client. The Customers invested in the purported bonds by either directing that funds be wired from their brokerage accounts at Filoramo’s employer, or by sending personal checks or wires to a bank account either held in the name of Filoramo’s friend or an entity owned and controlled by Filoramo’s friend.

12. In fact, Filoramo never purchased any bonds for the Customers, and the third-party accounts were owned and controlled by a friend of Filoramo. After the Customers transferred their money to the third-party accounts, Filoramo’s friend transferred almost all of their money to Filoramo’s personal bank account either by wire or check. Filoramo, in turn, used this money to make numerous, large cash withdrawals, many of which occurred at casinos.

13. The following table sets forth the transactions underlying Filoramo's misconduct:

Date of Transfer	Customer	Amount Transferred to Third Party	Amount Transferred to Filoramo
2/11/2017	Customer B	\$100,000.00	\$100,000.00
3/9/2017	Customer B	\$85,000.00	\$85,000.00
3/24/2017	Customer B	\$38,000.00	\$38,000.00
10/4/2017	Customer B	\$37,500.00	\$37,500.00
10/5/2017	Customer B	\$37,500.00	\$37,500.00
3/12/2018	Customer B	\$84,000.00	\$83,000.00
9/11/2018	Customer B	\$30,000.00	\$30,000.00
10/1/2018	Customer B	\$61,000.00	\$61,000.00
4/17/2019	Customer B	\$60,350.00	\$60,350.00
10/21/2020	Customer A	\$61,443.90	\$61,443.90
4/26/2021	Customer B	\$100,917.11	\$100,000.00
10/12/2021	Customer B	\$71,216.64	\$66,200.00

14. To further perpetrate the fraud, Filoramo provided the Customers with fraudulent documentation for the bond purchases, including screenshots from the broker-dealer's order entry system and internal analyses of bonds.

15. In early 2023, Filoramo's wife contacted his employer concerned about Filoramo's whereabouts. This prompted his employer to review Filoramo's customers' transactions. As part of its investigation, Filoramo's employer identified the transactions above and terminated Filoramo.

V. Claims For Relief

COUNT I

Violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5(a)

16. The Commission repeats and realleges Paragraphs 1 through 15 of this Complaint.

17. Between February 2017 and October 2021, Filoramo, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce,

or of the mails, or of any facility of a national securities exchange, directly and indirectly, knowingly or severely recklessly used and employed devices, schemes, and artifices to defraud.

18. By reason of the foregoing, Filoramo 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 Rule 10b-5(a) thereunder [17 C.F.R. § 240.10b-5(a)].

COUNT II

Violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5(b)

19. The Commission repeats and realleges Paragraphs 1 through 15 of this Complaint.

20. Between February 2017 and October 2021, Filoramo, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of any facility of a national securities exchange, directly and indirectly, knowingly or severely recklessly made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading.

21. By reason of the foregoing, Filoramo 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 Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)].

COUNT III

Violations of Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5(c)

22. The Commission repeats and realleges Paragraphs 1 through 15 of this Complaint.

23. Between February 2017 and October 2021, Filoramo, in connection with the purchase or sale of securities, by the use of the means or instrumentalities of interstate commerce, or of the mails, or of any facility of a national securities exchange, directly and indirectly,

knowingly or severely recklessly engaged in acts, practices and courses of business which have operated, are now operating, and will operate as a fraud and deceit upon any person.

24. By reason of the foregoing, Filoramo 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 Rule 10b-5(c) thereunder [17 C.F.R. § 240.10b-5(c)]

COUNT IV

Violations of Section 17(a)(1) of the Securities Act

25. The Commission repeats and realleges Paragraphs 1 through 15 of this Complaint.

26. Between February 2017 and October 2021, Filoramo, in the offer and sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or by use of the mails, directly or indirectly, knowingly or severely recklessly employed devices, schemes and artifices to defraud.

27. By reason of the foregoing, Filoramo 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)(1)].

COUNT V

Violations of Section 17(a)(2) of the Securities Act

28. The Commission repeats and realleges Paragraphs 1 through 15 of this Complaint.

29. Between February 2017 and October 2021, Filoramo, in the offer and sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or by use of the mails, directly or indirectly, negligently obtained money or property by means of untrue statements of material fact and by omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

30. By reason of the foregoing, Filoramo violated, and unless enjoined, is reasonably likely to continue to violate, Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

COUNT VI

Violations of Section 17(a)(3) of the Securities Act

31. The Commission repeats and realleges Paragraphs 1 through 15 of this Complaint.

32. Between February 2017 and October 2021, Filoramo, in the offer and sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or by use of the mails, directly or indirectly, negligently engaged in transactions, practices, and courses of business which have operated, are now operating or will operate as a fraud and deceit upon the purchasers of such securities.

33. By reason of the foregoing, Filoramo violated, and unless enjoined, is reasonably likely to continue to violate, Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)].

VI. Relief Requested

WHEREFORE, the Commission respectfully requests the Court find that the Defendant committed the violations of the federal securities laws alleged in this Complaint and:

A. Permanent Injunction

Enter an Order permanently restraining and enjoining Filoramo from, directly or indirectly, violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j] and Rule 10b-5 thereunder [17 CFR § 240.10b-5].

B. Disgorgement and Prejudgment Interest

Issue an Order requiring Filoramo to disgorge all ill-gotten gains or proceeds received, with prejudgment interest thereon, resulting from the acts and/or courses of conduct alleged in this Complaint.

C. Civil Penalties

Issue an Order directing Filoramo to pay a civil monetary penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

D. Further Relief

Granting such other and further relief as this Court may deem just and appropriate.

VII. Retention of Jurisdiction

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

VIII. Jury Trial Demand

The Commission hereby demands a trial by jury on any and all issues in this action so triable.

Respectfully submitted,

September 28, 2023

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