

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 79121 / October 19, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17635

In the Matter of

CRAIG V. SIZER

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 Craig V. Sizer (“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.2 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. Sizer, age 48, a resident of Aventura, Florida, was the co-founder and former Chief Executive Officer of Sanomedics, Inc., and the former president and chairman of Fun Cool Free, Inc. Sizer was a registered representative formerly associated with the broker-dealers Investors

Associates, Inc. (1992-1993) and American Investment Services, Inc. (1995-1996). Sizer is not, and was not at the time of the conduct described herein, registered with the Commission as a broker or dealer. Sizer was an associated person of Michael Mesa (“Mesa”), who acted as an unregistered broker operating a boiler room. Among other things, Sizer hired Mesa and provided talking points to Mesa that were used by the boiler room’s sales agents to solicit investors which included, among other things, that investor proceeds would not be used to pay sales commissions. Further, Sizer received Sanomedics investor funds and paid Mesa a substantial portion of those proceeds, knowing Mesa would use some of those funds to pay sales commissions.

2. On October 13, 2016, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder, in the civil action entitled Securities and Exchange Commission v. Craig V. Sizer, et al., Civil Action Number 16-cv-24106-JAL, in the United States District Court for the Southern District of Florida.

3. The Commission’s complaint alleged that Respondent offered and sold Sanomedics and Fun Cool Free securities to individual investors while aiding and abetting Mesa, who acted as an unregistered broker. The Commission further alleged that Respondent made misrepresentations and omissions to investors that investor funds would be used by Sanomedics and Fun Cool Free to develop the companies’ businesses, and that no commissions or fees would be charged to investors. Respondent also participated in a fraudulent scheme with Mesa by misappropriating millions of dollars of investor proceeds, which were used for their personal expenses and for paying undisclosed commissions to sales agents.

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.

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, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) 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 (d) 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.

Brent J. Fields
Secretary