

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. \_\_\_\_\_

SECURITIES AND EXCHANGE COMMISSION, )

Plaintiff, )

v. )

DIANA P. LOVERA, )

Defendant. )

JURY TRIAL  
DEMANDED

**COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF**

Plaintiff Securities and Exchange Commission (“Commission” or “SEC”) alleges:

**INTRODUCTION**

1. This case involves violations of the antifraud and registration provisions of the federal securities laws by Defendant Diana P. Lovera (“Lovera”), the former Chief Operating Officer (“COO”) of Oxford City Football Club, Inc. (“Oxford City”), a defunct public company that falsely claimed to be “the largest publicly traded diversified portfolio of professional sports teams in the world” and to own a “diversified portfolio of academic institutions.” The Commission previously filed suit in this Court against Oxford City and its former Chief Executive Officer (“CEO”), Thomas Anthony Guerriero (“Guerriero”), on December 10, 2015. *SEC v. Oxford City Football Club, Inc., et al.*, No. 15-CV-62594-KMW (S.D. Fla.).

2. From approximately July 2013 to July 2015, under the guise of Oxford City’s nominal legitimate businesses, Defendant and others at Oxford City operated a classic “boiler

room”<sup>1</sup> out of which they sold millions of shares of illegal, unregistered stock offerings through several fraudulent practices designed to deceive investors concerning the value of the stock they were purchasing and the future profits they could realize. As part of these fraudulent practices, Defendant and others at Oxford City made numerous misstatements to investors regarding, among other things, Oxford City’s assets, its business plan, its future profitability, and the composition of its management.

3. Defendant served as Oxford City’s COO from approximately September 2013 to May 2015. She had frequent contacts with investors and prospective investors, and made numerous material misrepresentations to them to assist in Oxford City’s fraudulent solicitations. For example, Defendant and others would dupe a prospective investor by claiming that they could “lock in” a discounted price on Oxford City stock, and then convince them that Oxford City had a “voice verification system,” which they claimed was linked to the investor’s name, social security number, and date of birth. Later, if an investor had second thoughts about investing in Oxford City stock, Defendant and others warned investors that the voice recording was a legally binding contract that “goes through three levels of compliance” including a “federal filing with the government.”

4. In reality, Oxford City had no voice verification system. Defendant duped investors into believing that there was a voice verification system by merely pressing a button on a telephone key pad. Defendant and others would also use high-pressure, strong-armed tactics to intimidate and coerce individuals to invest in Oxford City. For example, if an investor did not

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<sup>1</sup> “‘Boiler room’ activity consists essentially of offering to customers securities of certain issuers in large volume by means of an intensive selling campaign through numerous salesmen by telephone or direct mail, without regard to the suitability to the needs of the customer, in such a manner as to induce a hasty decision to buy the security being offered without disclosure of the material facts about the issuer.” *SEC v. R.J. Allen & Assocs., Inc.*, 386 F. Supp. 866, 874 (S.D. Fla. 1974).

forward funds to Oxford City in a timely fashion, Defendant and others threatened to: (a) commence legal action against the investor; (b) place a lien on the investor's bank accounts; (c) ruin the investor's credit rating by reporting to credit agencies; and (d) garnish the investor's wages.

5. During the relevant time period, Defendant and others at Oxford City fraudulently raised approximately \$6.6 million from more than 150 investors, many of whom were unaccredited and inexperienced with investing. Defendant made approximately \$80,000 of these ill-gotten gains.

6. As a result of the conduct alleged in this Complaint, Defendant violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) & (c), 77q(a); and Section 10(b) 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. Unless restrained and enjoined, Defendant is reasonably likely to continue to violate the federal securities laws.

7. The Commission, therefore, respectfully requests that this Court enter: (i) a permanent injunction restraining and enjoining Defendant from violating the federal securities laws, (ii) an officer and director bar against Defendant, and (iii) a penny stock bar against Defendant.

#### **DEFENDANT**

8. **Defendant Diana Lovera**, age 33, currently is incarcerated at the Federal Detention Center in Miami, Florida. From approximately September 2013 to May 2015, Lovera was the COO of Oxford City.

**OTHER RELEVANT ENTITIES AND INDIVIDUAL**

9. **Thomas Anthony Guerriero**, age 39, is currently incarcerated at the Federal Correctional Institution in Coleman, Florida. He was the CEO of Oxford City throughout the time period of this Complaint. At various times between 1998 and 2005, Guerriero held series licenses 7, 24, and 63, as well as a series 66 license in 2009. All of these licenses have expired. Guerriero worked for twelve years as a registered representative in New York, during which time he was terminated from three brokerage firms. During the relevant time period of this Complaint, Guerriero routinely portrayed himself as “world renowned for being one of the most powerful and influential CEO’s in the history of Wall Street.”

10. **Oxford City** is a Florida public company which had principal offices in Deerfield Beach, Florida. Oxford City was incorporated in Florida on February 11, 2003, as Smart Kids Group, Inc. After a reverse merger on June 11, 2012, Guerriero became the company’s CEO and sole controlling officer, and the company changed its name to WMX Holdings Group, Inc. (“WMX”). On July 8, 2013, the company renamed itself “Oxford City Football Club, Inc.” Oxford City’s common stock was quoted on the OTCBB and the OTC Link using the ticker symbol “OXFC.”

**JURISDICTION AND VENUE**

11. The 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) and 27 of the Exchange Act, 15 U.S.C. §§ 78u(d) and 78aa. The Commission seeks an order prohibiting Defendant from serving as an officer or director of a public company pursuant to Section 20(e) of the Securities Act, 15 U.S.C. §77t(e), and Section 21(d)(2) of the Exchange Act, 15 U.S.C. §78u(d)(2), and prohibiting Defendant from engaging in any offering of penny stock pursuant to

Section 20(g) of the Securities Act, 15 U.S.C § 77t(g), and Section 21(d)(6) of the Exchange Act, 15 U.S.C. § 78u(d)(6).

12. The Court has personal jurisdiction over Defendant, and venue is proper in this District, because, among other things, Defendant offered or sold securities to investors in this District, and because Defendant resides in this District.

13. In connection with the conduct alleged in this Complaint, Defendant, directly and indirectly, singly or in concert with others, has contacted investors in several States, made use of the means or instrumentalities of interstate commerce, and made use of the means or instruments of transportation or communication in interstate commerce, and of the mails, to carry out the unlawful conduct described in this Complaint.

#### **PROCEDURAL BACKGROUND**

14. On December 10, 2015, the Commission filed an emergency action against Oxford City and Guerriero, charging them with fraud and other violations of the federal securities laws. The Complaint named as a relief defendant GCE Wealth, Inc. (“GCE”), an entity wholly owned by Guerriero to which Oxford City paid Guerriero purported compensation. *See* Compl. Dkt. No. 1, *SEC v. Oxford City Football Club, Inc., et al.*, No. 15-CV-62594-KMW (S.D. Fla. Dec. 10, 2015) (“*Oxford City*”).

15. On the Commission’s motion, the Court issued an emergency order, freezing seven bank accounts held by Oxford City and GCE, and further ordering Oxford City and Guerriero to provide sworn accountings detailing the nature and location of their funds, assets, and properties. *Id.* Dkt. No. 9.

16. At the same time, the U.S. Attorney’s Office for the Southern District of Florida announced parallel criminal charges against Guerriero, Defendant, and seven others, for

conspiracy to commit mail and wire fraud, 18 U.S.C. §1349. Defendant and Guerriero were also charged with wire fraud under 18 U.S.C. §1343 and mail fraud under 18 U.S.C. §1341. *See* Dkt. No. 1, *United States v. Thomas A. Guerriero et. al*, No. 15-CR-60317-BB (S.D. Fla. Dec. 10, 2015) (“*Guerriero*”).

17. On February 29, 2016, Guerriero pled guilty to conspiracy to commit mail and wire fraud. *Id.* Dkt. No. 154. On November 7, 2016, the Commission filed stipulated Consents to a settlement and a proposed Final Judgment as to all parties. *Oxford City*, Dkt. No. 53-55. On January 26, 2017, this Court entered the final judgments against all parties. *Id.* Dkt. No. 58-60.

18. On May 2, 2016, Defendant pled guilty to conspiracy to commit mail and wire fraud. *Guerriero*, Dkt. No. 249. As part of her plea agreement, Defendant admitted to the following facts:

- Defendant conspired with others to defraud more than 150 individuals and raised approximately \$6.6 million from investors.
- The conspiracy occurred by means of materially false and fraudulent pretenses, as well as material omissions, to knowingly devise a scheme and artifice to defraud and to obtain money and property through the delivery of the mails and through wire communications.
- Defendant and her co-conspirators used “phone rooms” to solicit investors located throughout the United States to buy shares of Oxford City stock directly from the company.
- Defendant directed investors to make payments for Oxford City stock transactions by:
  - (a) transferring funds electronically via interstate wires to bank accounts Guerriero

controlled; or (b) mailing checks to Oxford City's offices located in Deerfield Beach, Florida.

- Defendant, Guerriero, and others would claim to “lock-in” the sale of the “discounted” sales price for an investor using a purported voice verification system that Guerriero, Defendant, and others claimed was linked to the investor's name, social security number, and date of birth. If an investor had second thoughts about investing in Oxford City stock, Defendant and her co-conspirators warned investors that the voice recording was a legally binding contract that “goes through three levels of compliance” with a “federal filing with the government.”
- Oxford City had no voice verification system. Defendant and her co-conspirators duped investors into believing that there was a voice verification system by pushing a button on a telephone key pad to produce a sound.
- Defendant and her co-conspirators used high-pressure, strong-armed tactics to intimidate and coerce individuals to invest in Oxford City. For example, if an investor did not forward funds to Oxford City in a timely fashion, Defendant and her co-conspirators, mainly Guerriero, threatened to: (a) commence legal action against the investor; (b) place a lien on the investor's bank accounts; (c) ruin the investor's credit rating by reporting to credit agencies; and (d) garnish the investor's wages.
- Defendant and her co-conspirators told investors to invest in Oxford City because it was a good investment, a “no brainer,” and that the Oxford City investment “can't lose money.”
- Defendant and her co-conspirators falsely told investors that no commissions were charged because the sales agents were paid a salary, when in fact, Guerriero used the

money received from investors for, among other things, undisclosed sales commissions, fees, and other monetary distributions to himself, Defendant, and others.

- To induce investors to provide Defendant money, she and her co-conspirators made numerous materially false and fraudulent oral and written statements to investors, including, among other things, the following:
  - that Oxford City was a 131 year-old, debt-free holding company;
  - that Oxford City had a book value of \$38 per share and should be trading at 5-6 times book value;
  - that the value of Oxford City stock would dramatically increase within the first year;
  - that Oxford City would pay a 50% dividend within the first year;
  - that Oxford City stock would be listed on the New York Stock Exchange in 2015;
  - that Oxford City owned or operated a broadcast network that included a radio station;
  - that Oxford City owned \$90 million worth of real estate;
  - that Oxford City owned an online university that had 10,000 students enrolled and would soon generate over \$90-\$100 million of revenue; and
  - that Guerriero had a personal net worth in excess of \$100 million.

19. On November 28, 2016, this Court sentenced Defendant to a 20-month prison term and ordered her to pay criminal restitution of \$6,314,010.91. *Guerriero*, Dkt. No. 421. She subsequently appealed that judgment, *id.* Dkt. No. 433; her appeal remains pending.

## **DEFENDANT'S UNLAWFUL CONDUCT**

### **I. The Foundations of the Unlawful Conduct**

20. In 2012, Guerriero operated a publicly traded company called WMX Group Holdings, Inc. ("WMX"), which offered an Executive Training Certificate in Financial Planning.

21. In March 2013, WMX executed a 1-for-4000 reverse stock split and in July 2013 changed its name to Oxford City Football Club, Inc. Around that same time, Oxford City acquired a 49-percent ownership interest in a British entity, Oxford City Football Club (Trading) Ltd. ("Oxford Trading"), which operated a mid-tier, semi-professional soccer club in Oxford, England. Guerriero acquired another one percent of Oxford Trading, and a British charitable organization owned the remaining 50 percent.

22. Oxford City claimed to have "two core portfolio divisions." First, a purported "Professional Sports Portfolio" consisted of two soccer teams: the Oxford City Football Club and the Oxford City Nomads, which are actual semi-professional soccer teams that compete in the lower divisions of the English Football Association. Oxford City owned other semi-professional and amateur indoor and outdoor soccer teams, as well as a basketball team. According to Oxford City's public filings, however, none of the teams ever generated profits for Oxford City.

23. Second, Oxford City purportedly had an "Academic Institution Portfolio Division" that consisted of two schools: Oxford City University in the United States, which purported to offer Bachelors, Masters, and Doctoral degree programs in economics and financial markets, and the Oxford City Sports College in the Oxford, England.

24. Throughout the relevant period, Oxford City gave the United States school several names, including Oxford City University, CIT University, City Institute of Technology and

Christian Institute of Technology. It purported to be primarily an online university that also had plans to establish a physical location. Oxford City's public filings with the SEC never reported revenue attributable to any schools.

25. In addition, at various times the company also purported to have a "Media and Entertainment Portfolio" that included a South Florida radio station, and a "Real Estate and Property Management Portfolio."

26. Over the relevant period, Oxford City often sold itself as "the largest publicly-traded diversified portfolio of professional sports teams in the world" that also owns, among other things, a "diversified portfolio of academic institutions." Oxford City, however, generated only nominal revenue and made no profit from its operations. By the end of its first full fiscal year, for example, which ended June 30, 2014, Oxford City reported \$622,522 in revenue, and a net loss of more than \$7 million.

27. These operations served as the foundation of a pervasive two-year fraud by Guerriero, Defendant, and others, by providing some level of legitimacy to Oxford City such that Defendant and others were able to induce millions-of-dollars of investment through unregistered, fraudulent means.

## **II. Defendant's Role at Oxford City**

28. Defendant began working for WMX in October of 2012 as a purported "wealth manager." WMX changed its name to Oxford City around July 2013, and Defendant became the COO of the company in September 2013.

29. As COO, Defendant worked closely with Guerriero, the CEO of the company, and shared an office with Guerriero in Oxford City's Deerfield Beach headquarters. Defendant answered Guerriero's phone, participated in telephone conversations Guerriero had with current

and prospective investors, traveled with Guerriero, and attended meetings where he obtained money from current and prospective investors.

30. Defendant also was the primary conduit for all written communications with prospective and existing investors. Defendant sent to investors and prospective investors, by mail and electronically, written communications concerning the purchase of Oxford City stock, marketing materials, including the company's Business Plans that contained numerous material misrepresentations and omissions, and other communications to investors in furtherance of the fraud.

31. For a period of time, Defendant also worked as a salesperson in the Oxford City boiler room offering and selling Oxford City stock. She used leads lists and sales scripts provided by Guerriero to solicit investors to purchase Oxford City stock in what purported to be private placement offerings, but were actually unregistered public offerings.

### **III. Oxford City's Unregistered Offerings**

32. Throughout the relevant period, Guerriero controlled and managed Oxford City's boiler room operations. Among other things, Guerriero trained the sales force, created written scripts for them to follow on calls, and monitored sales calls to develop methods to enhance the boiler room's effectiveness. Guerriero was also directly involved in Oxford City's unregistered offerings by soliciting investors, often when boiler room salespeople would forward calls to Guerriero for Guerriero to act as the sales "closer."

33. Defendant served as part of Guerriero's boiler room sales team. Pursuant to Guerriero's instruction, the boiler room salespeople, including Defendant, would seek to induce investments using deceptive sales tactics, schemes to defraud investors, and fraudulent

representations of the value and future profit potential of Oxford City, as otherwise described in this Complaint.

34. The boiler room salespeople, including Defendant, contacted potential investors using numerous lead lists purchased from third parties. As part of their sales pitch, they made no effort to inquire into the financial background or investing experience of potential investors. Furthermore, many of the boiler room salespeople masked their identities by using aliases.

35. Throughout the relevant period, there was no registration statement filed with the SEC or in effect for Defendant's sales of Oxford City shares. In its publicly filed annual reports, which Defendant helped to prepare, Oxford City claimed an exemption from registration pursuant to Rule 506 of SEC Regulation D, 17 C.F.R. §230.506 and claimed it "did not engage in any general solicitation or advertising."

36. Oxford City did not satisfy this exemption, however, because Defendant and others engaged in a general sales solicitation that involved making cold-calls to thousands of prospective investors throughout the United States using numerous lead lists purchased from third parties.

37. Defendant and others did not vet potential investors for "accredited" status. They did not ask questions concerning the investors' sophistication or financial holdings, nor did they ask for documentation confirming such status. Instead, Defendant and others solicited many unsophisticated investors that did not possess the experience, income, or assets necessary to qualify as accredited investors.

38. During the time period of these share issuances, Oxford City stock qualified as a "penny stock" because it was an equity security that traded for less than \$5 per share during the

relevant period, and did not qualify for any of the listed exemptions in Exchange Act Rule 3a51-1.

39. Through use of the boiler room and otherwise, from at least July 2013 through July 2015, Oxford City, Guerriero, Defendant, and others sold millions of shares of Oxford City stock through direct offerings to more than 150 investors in more than 30 states using the phone, email, and the mail, generating proceeds of approximately \$6.6 million.

#### **IV. Defendant's Fraudulent Offerings of Oxford City Stock**

40. Defendant also violated the federal securities laws by selling Oxford City stock via numerous material misrepresentations of fact and schemes to defraud investors.

##### **A. Defendant's Deceptive Sales Tactics**

41. Defendant and others engaged in a scheme to defraud by coercing individuals to purchase Oxford City stock by tricking them into thinking that they had already agreed to purchase the shares when they had not.

42. Throughout the relevant period, Defendant and others engaged in a scheme to defraud by obtaining investors' personal information over the telephone, such as a date of birth and Social Security number, while pressing buttons on their telephone to falsely give the appearance of the use of a recording device. After the "recording," Defendant and others would send investors written confirmation of a claimed "purchase" of Oxford City shares that set a due date for payment. Defendant and others further falsely claimed that the purchase was recorded on a "Verbal Verification System" or an "International Banking Verification System" that linked their personal information with the purchase via a filing with the SEC.

43. If a potential investor disputed the transaction, Defendant and others falsely claimed that the Verbal Verification System was legally binding, that the transaction had already

been completed and filed with the SEC, and that if they failed to purchase the stock, they faced collections actions, law suits, liens, late fees, and impairment of their credit rating.

44. This conduct constituted a deceptive business practice intended to induce investment in Oxford City. Defendant knowingly misrepresented that investors had agreed to purchase Oxford City stock, and that the so-called Verbal Verification System locked them into a purchase. Thus, Defendant and others knowingly lied to investors both about the existence of a Verbal Verification System, its alleged link to the SEC, and whether investors had agreed to purchase Oxford City stock.

45. The misrepresentations by Defendant and others were material to investors and convinced numerous individuals to invest in Oxford City who otherwise would have declined. This conduct also constituted a scheme to defraud investors, through a pattern and practice of using false claims regarding the existence of a Verbal Verification System and other deceptive strong-arm sales tactics to coerce investments in Oxford City.

**B. Defendant's Material Misrepresentations and Omissions Concerning Oxford City's Value and Future Profitability**

46. To further entice unsuspecting investors to purchase the unregistered securities, Defendant and others at Oxford City made numerous material misstatements and omissions to investors regarding Oxford City's current and future value.

47. For instance, Defendant and others told potential investors that Oxford City had large real estate holdings worth about \$100 million, and that it owned an online university with students currently enrolled.

48. These statements were false and Defendant knew it. Oxford City never had real estate holdings worth anywhere near \$100 million, nor did it ever have a paying student in its online university.

49. Defendant, as COO of Oxford City, knew its business operations, and knew the company's public filings did not reflect the inflated revenues or assets that Defendant and others described to investors.

50. Defendant and others also made misleading and unfounded statements that Oxford City: (1) was going to pay dividends of \$0.50 per share within a year or less, and (2) would soon be listed on the New York Stock Exchange ("NYSE").

51. These statements were false and misleading, and Defendant knew it. Even according to its own 10-K, Oxford City never has been able financially to pay a dividend, let alone a \$0.50 per share dividend in the first year that investors owned the stock. In fact, the Company lost \$9.1 million and \$3.7 million for the fiscal years ending 2014 and 2013, respectively. With such losses, state law prohibited Oxford City from issuing a dividend, as Oxford City acknowledged in public filings made after the misrepresentations were made to investors. Oxford City also disclosed in its filings that it had "not declared any dividends and we do not plan to declare any dividends in the foreseeable future."

52. Likewise, Oxford City has never been close to meeting the qualifications to list on the NYSE. For example, to list on the NYSE, Oxford City's publicly held shares would have to have an aggregate market value of \$40,000,000. Although Oxford City's market cap occasionally exceeded that amount due to its artificially high stock price, the NYSE rules require companies to subtract from their market cap any shares held by company insiders, which would have put Oxford City well below the \$40,000,000 threshold. The NYSE rules also set minimum requirements on earnings from continuing operations that Oxford City had no plausible way of meeting.

53. These misrepresentations were material because they falsely gave the impression that Oxford City stock had future value for investors, which would influence them to invest in Oxford City.

**C. Defendant's Dissemination of Fraudulent "Business Plans"**

54. Defendant and others further misled investors and prospective investors during the relevant period through several false and misleading "Business Plans" that Defendant and others provided to investors and potential investors.

55. As part of the scheme, Guerriero created and/or directed Oxford City employees to create the statements made in Oxford City's Business Plans. Defendant, who was primarily responsible for corresponding with investors and potential investors, sent the Business Plans to investors and potential investors.

56. The Business Plans that Defendant sent to investors were rife with material misrepresentations. For example, in one Business Plan that Defendant sent to investors in late 2013, the plan claimed that Oxford City owned a broadcasting network called the Oxford City Broadcast Network ("OCBN"). The OCBN was touted in Oxford City's Business Plan as a "state-of-the-art production facility ... capable of handling most commercial delivery systems," that boasts a radio signal on AM 740 that is "one of the strongest in the state of Florida." The Business Plan projected profits for OCBN of \$3.9 million in its first year, and almost \$20 million over five years.

57. These statements were false and Defendant knew it. At the time, Oxford City had only a six-month contract with a real broadcasting network to permit Oxford City to broadcast for 1 hour per week. It had no revenue streams. Rather, Oxford City used the hour as a platform for Guerriero to tout himself as an up-and-coming entrepreneur and Oxford City as an attractive

investment opportunity. There was no reasonable basis for Oxford City to project multi-million dollar profits within one year, and Defendant did not genuinely believe that Oxford City would obtain such profits.

58. Defendant and others also misled investors about the success and profitability of Oxford City University, the purported online college in the U.S. and the cornerstone of Oxford City's "Academic Portfolio." The Oxford City Business Plan that Defendant sent to investors and potential investors projected profits from its universities of *\$495 million* over a five-year span.

59. Oxford City had no track record of profits from any academic programs during its existence. In fact, over the relevant period, Oxford City's public filings never even reported *revenue* from an academic institution. Yet the projected profits in the Business Plans would have made Oxford City University one of the largest, if not the largest, for-profit university in the United States.

60. The Business Plans that Defendant sent to investors contained several other fraudulent profit projections. The projected profits included earning approximately an additional *\$240 million* in five years from the following sources:

- \$7.4 million from "Our Existing Indoor Arena"
- \$7.6 million from "Our Existing Oxford City FC Stadium"
- \$21.9 million from "10 New Indoor Oxford City FC Academy & Sports Rental Facilities"
- \$71.3 million from the "New Oxford City FC Stadium"
- \$38.1 million from the "New Oxford City FC Facility"
- \$30 million from the "New Oxford City Clubhouse & Convention Center"

- \$31.1 million from the “New Oxford City Futsal Arena”
- \$31.1 million from the “New Oxford City Basketball Arena”

61. These Business Plans also claimed that Oxford City would generate \$19 million of profit from the “CIT University Think Tank,” which was purportedly an incubator for entrepreneurial ideas coming from the University’s student body. No such entity existed.

62. All told, Oxford City’s Business Plan projected about \$777 million in profit in five years.

63. Defendant, as the Company’s COO, knew that the profit projections in the Business Plans were false and misleading.

64. At the time, Oxford City had only nominal revenue from its 49 percent interest in an English soccer club. According to the company’s 10-Ks that Defendant helped prepare, Oxford City’s total operations sustained comprehensive losses of approximately \$7.4 million, \$9.1 million, and \$3.7 million for the fiscal years ending 2015, 2014, and 2013, respectively, and had an accumulated deficit of \$21.5 million as of June 30, 2015.

65. Although the English soccer club, which owned a small facility and a number of semi-pro indoor and outdoor soccer teams, reported some revenue, it never turned a profit from the time Oxford City became a minority owner. In total, from 2013-2015, Oxford City’s football division had generated average annual gross revenues of only \$431,032, with no profits. Accordingly, none of these profits projections were reasonable or genuine.

66. All of these profit projections were material to investors because they directly reflected Oxford City’s future value, which influenced investors to purchase Oxford City stock.

67. In addition, a Business Plan that Defendant sent to investors in late 2013 extolled the value of Oxford City’s stock, stating it was “undervalued,” has a “book value of \$38 per

share,” and “should be trading at 5-6 times book value” or “over \$224 per share.” The company’s Business Plan also boasted that “institutional firms had collectively accumulated over 88% of the company, making it very stable and secure.” Finally, the document described Oxford City as a “131-year-old debt-free, diversified holding company that has been featured in the Wall Street Journal, New York Times, CNBC, and countless periodicals.”

68. All of these statements were false, and Defendant, as the company’s COO, knew it. Oxford City had not generated a single dollar in profits since it was created. The small amount of revenue Oxford City generated from its 49 percent ownership of the U.K. football club (from ticket sales, concessions, facilities rentals, and other activities) was eclipsed by Oxford City’s expenses and Guerriero’s compensation. Furthermore, although the UK soccer club was 131 years old, Oxford City was formed in 2013 and, in fact, had significant debt.

### **COUNT I**

#### **Violations of Sections 5(a) and 5(c) of the Securities Act**

69. The Commission realleges and incorporates by reference paragraphs 1 through 68 above.

70. By engaging in unregistered sales of Oxford City stock, Defendant, directly or indirectly, made use of means or instruments of transportation or communication in interstate commerce or of the mails, to offer to sell or to sell securities, or to carry or cause such securities to be carried through the mails or in interstate commerce for the purpose of sale or for delivery after sale.

71. No registration statement was ever filed with the Commission, nor was one ever in effect with respect to any of the sales alleged above.

72. No exemption applied to Defendant’s unregistered offerings.

73. By reason of the foregoing, Defendant violated, and unless restrained and enjoined will to continue to violate, Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and (c).

## **COUNT II**

### **Fraud in Violation of Section 17(a)(1) of the Securities Act**

74. The Commission realleges and incorporates by reference paragraphs 1 through 68 above.

75. From at least September 2013 to May 2015, Defendant 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.

76. Among other things, Defendant knowingly made material misrepresentations and schemed to defraud investors, and employed deceptive strong-arm sales tactics to defraud investors.

77. By reason of the foregoing, Defendant directly and 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)(1).

## **COUNT III**

### **Fraud in Violation of Section 17(a)(2) of the Securities Act**

78. The Commission realleges and incorporates by reference paragraphs 1 through 68 above.

79. From at least September 2013 to May 2015, Defendant directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and

by the use of the mails, in the offer or sale of securities, as described in this Complaint, 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.

80. By reason of the foregoing, Defendant directly and indirectly 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 IV**

##### **Fraud in Violation of Section 17(a)(3) of the Securities Act**

81. The Commission realleges and incorporates by reference paragraphs 1 through 68 above.

82. From at least September 2013 to May 2015, Defendant directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities, as described in this Complaint, engaged in transactions, practices and courses of business which have operated, are now operating or will operate as a fraud or deceit upon the purchasers and prospective purchasers of such securities.

83. Among other things, Defendant knowingly made numerous material misrepresentations and schemed to defraud investors, and employed deceptive strong-arm sales tactics to defraud investors.

84. By reason of the foregoing, Defendant directly and indirectly 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).

**COUNT V**

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

85. The Commission realleges and incorporates by reference paragraphs 1 through 68 above.

86. From at least September 2013 to May 2015, Defendant directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, in connection with the purchase or sale of securities, as described in this Complaint, knowingly, willfully or recklessly employed devices, schemes, or artifices to defraud.

87. Among other things, Defendant knowingly made numerous material misrepresentations and schemed to defraud investors, and employed deceptive strong-arm sales tactics to defraud investors.

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

**COUNT VI**

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

89. The Commission realleges and incorporates by reference paragraphs 1 through 68 above.

90. From at least September 2013 to May 2015, Defendant directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, in connection with the purchase or sale of securities, as described in this Complaint, knowingly, willfully or recklessly 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.

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

## **COUNT VII**

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

92. The Commission realleges and incorporates by reference paragraphs 1 through 68 above.

93. From at least September 2013 to May 2015, Defendant directly and indirectly, by use of the means and instrumentalities of interstate commerce, and of the mails, in connection with the purchase or sale of securities, as described in this Complaint, knowingly, willfully or recklessly engaged in acts, practices and courses of business which have operated, are now operating or will operate as a fraud or deceit upon the purchasers and prospective purchasers of such securities.

94. Among other things, Defendant knowingly made numerous material misrepresentations and schemed to defraud investors, and employed deceptive strong-arm sales tactics to defraud investors.

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

## **RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that the Court:

### **I.**

#### **Disgorgement**

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

### **II.**

#### **Penalties**

Issue an Order directing Defendant 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).

### **III.**

#### **Permanent Injunction**

Issue a Permanent Injunction, restraining and enjoining Defendant, including her agents, servants, employees, attorneys, and all persons in active concert or participation with her, and each of them, from violating the federal securities laws alleged in this Complaint.

### **IV.**

#### **Penny Stock Bar**

Bar Defendant from any future participation in the offering of any penny stock, as defined by Section 3(a)(51)(A) of the Exchange Act, 15 U.S.C. § 78c(a)(51)(A) and Rule 3a51-1 thereunder, 17 C.F.R. § 240.3a51-1, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of

any penny stock, pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d)(6) of the Exchange Act, 15 U.S.C. § 78u(d)(6), and the Court's equitable powers.

**V.**

**Officer and Director Bar**

Bar Defendant, pursuant to Section 20(e) of the Securities Act, 15 U.S.C. §77t(e), and Section 21(d)(2) of the Exchange Act, 15 U.S.C. §78u(d)(2) from serving as an officer or director of any entity having a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

**VI.**

**Enjoining Securities Solicitations**

Issue an Order prohibiting Defendant from directly or indirectly, including, but not limited to, through any entity owned or controlled by Defendant, participating in the issuance, purchase, offer, or sale of any security, provided however, that such order shall not prevent Defendant from purchasing or selling securities listed on a national securities exchange for her own personal accounts.

**VII.**

**Further Relief**

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

VIII.

**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 may hereby be entered, or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Dated: June 28, 2017

Respectfully submitted,

By: s/ Matthew F. Scarlato  
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*Attorneys for Plaintiff Securities and Exchange Commission*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on June 28, 2017, the foregoing document was filed electronically with the Clerk of Court using CM/ECF. I also certify that the foregoing document is being served this day on Defendant's counsel identified on the Service List below via overnight mail.

s/ Matthew F. Scarlato

\_\_\_\_\_  
Matthew F. Scarlato

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