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Press Release



SEC Shuts Down \$345 Million Fraud and Obtains Asset Freeze

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FOR IMMEDIATE RELEASE
2018-201

Washington D.C., Sept. 19, 2018 — The Securities and Exchange Commission today announced it has obtained a court order halting an ongoing Ponzi-like scheme that raised more than \$345 million from over 230 investors across the U.S. The SEC also obtained an emergency asset freeze and the appointment of a receiver.

An SEC complaint unsealed yesterday alleges that Kevin B. Merrill, Jay B. Ledford and Cameron Jezierski attracted investors to their scheme by promising significant profits from the purchase and resale of consumer debt portfolios. But in fact, the defendants were allegedly using a web of lies, fabricated documents, and forged signatures in an elaborate scheme to entice investors and perpetuate the fraud. Rather than direct investor funds to the acquisition and servicing of debt portfolios as promised, the defendants allegedly used the funds to make Ponzi-like payments to earlier investors. The SEC also alleges that Merrill and Ledford stole at least \$85 million of the investor funds to maintain lavish lifestyles, spending millions of dollars on luxury items, including \$10.2 million on at least 25 high-end cars, \$330,000 for a 7-carat diamond ring, \$168,000 for a 23-carat diamond bracelet, millions of dollars on luxury homes, and \$100,000 to a private fitness club.

"The defendants touted their purported investment expertise to siphon millions of dollars from unsuspecting investors," said Stephanie Avakian, Co-Director of the SEC's Division of Enforcement. "We filed this action on an emergency basis to put a stop to this fraud and protect investors from further harm."

"We allege that the defendants engaged in a brazen fraud, deceiving investors to perpetuate their wrongdoing and line their pockets with ill-gotten gains," said Kelly L. Gibson, Associate Regional Director of the SEC's Philadelphia Regional Office. "Investors should be warned that low-risk, high-return investments that never lose should be a red flag."

In a parallel action, the U.S. Attorney's Office for the District of Maryland today announced criminal charges against Merrill, Ledford, and Jezierski.

The SEC's complaint, filed on Sept. 13 in federal district court in Maryland, charges Merrill, Ledford, and Jezierski, along with their entities, Global Credit Recovery LLC, Delmarva Capital, LLC, Rhino Capital Holdings, LLC, Rhino Capital Group, LLC, DeVille Asset Management LTD, and Rivenwalk Financial Corporation, with violations of the antifraud provisions of the federal securities laws. The court granted the SEC's request for an asset freeze, temporary restraining order, and the appointment of a receiver. The SEC seeks disgorgement of allegedly ill-gotten gains and prejudgment interest, and financial penalties against the defendants.

The SEC's continuing investigation is being conducted by Norman P. Ostrove, Dustin E. Ruta, and Scott A. Thompson in the Philadelphia Regional Office and supervised by Ms. Gibson. The SEC's litigation is being led by Julia C. Green, Mark R. Sylvester, and Jennifer C. Barry. The SEC appreciates the assistance of the U.S. Attorney's Office for the District of Maryland and the Federal Bureau of Investigation.

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