

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80623 / May 8, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17973

In the Matter of

FRANK PENALOZA,

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 Frank Penaloza (“Penaloza” or “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 paragraph 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. Penalzoza, age 30, resides in Pompano Beach, Florida. From May 2014 to September 2014, Penalzoza acted as an unregistered broker while offering and selling the stock of Oxford City Football Club, Inc. ("Oxford City"), a Delaware company headquartered in Deerfield Beach Florida. Specifically, Penalzoza solicited investors, and Oxford City paid him transaction-based compensation in the form of commissions for selling its stock. Penalzoza has never been registered with the Commission in any capacity.

2. In a criminal judgment entered on June 20, 2016, Penalzoza was convicted of one count of conspiracy to commit mail and wire fraud in violation of Title 18 United States Code, Section 1349 in *United States v. Frank Penalzoza*, Crim. Information No. 15-60317-CR-BLOOM-009 (S.D.Fla.). The court sentenced Penalzoza to a prison term of 105 days, with credit for time-served, followed by three years of supervised release, and ordered Penalzoza to pay restitution in the amount of \$75,000.

3. In connection with his criminal plea and conviction, Penalzoza admitted that:

(a) From approximately May 2014 to approximately September 2014, he worked in a phone room offering and selling Oxford City stock;

(b) Co-conspirator Thomas Anthony Guerriero, the CEO of Oxford City, hired him to work in the phone room;

(c) Oxford City paid him commissions to sell its stock;

(d) He falsely told investors that no commissions were charged;

(e) He 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; and

(f) In some instances, he falsely told investors that they were legally bound to purchase Oxford City stock because a government compliant "voice verification system" had recorded their assent to the sale, and that the transaction was filed with the federal government and linked to the investor's name, social security number, and date of birth..

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; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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