



# Department of Justice

United States Attorney Louis V. Franklin, Sr.  
Middle District of Alabama

FOR IMMEDIATE RELEASE

August 22, 2018

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## **FOUNDER OF LEE COUNTY-BASED COMPANY CONVICTED OF SECURITIES FRAUD**

*Montgomery, Alabama* – On Wednesday, August 22, 2018, Kyle Geoffrey Sandler, 42, of Auburn, Alabama, pleaded guilty to one count of wire fraud and one count of securities fraud, announced Louis V. Franklin, Sr., U.S. Attorney for the Middle District of Alabama, James E. Jewell, Special Agent in Charge for the FBI, and Joseph P. Borg, Director of the Alabama Securities Commission.

The charges stemmed from Sandler soliciting and accepting over \$1.8 million dollars from more than 50 investors in a scheme to defraud them. According to court records, from 2015 through 2016, Sandler founded and managed The Roundhouse LLC (Roundhouse), based in Lee County, Alabama. Throughout the Auburn and Opelika communities, Sandler advertised that Roundhouse was a business incubator company that helped develop new and startup companies by providing services such as venture capital, office space, 1-gigabit internet and management training.

During the course of business, Sandler made numerous misrepresentations and failed to share important information about his past. For example, he held himself out as a successful entrepreneur and former employee of Google, which, according to Sandler, paid him millions of dollars for his work during the time he worked there. Investors, relying on Sandler's represented experience and expertise, turned over approximately \$1.8 million dollars in investment funds to be used to further the business of Roundhouse. However, Sandler never actually worked for Google and he was using the investor funds for personal expenses such as childcare services, rent payments, purchases of automobiles and other personal needs.

In exchange for the fraudulently obtained investments, Sandler issued stock in Roundhouse and oversold the equity by approximately one hundred percent. Further, Sandler had prior felony convictions based on fraudulent conduct. He was required by law to disclose these prior felonies to potential investors.

Sandler faces a maximum sentence of 20 years' imprisonment on each count of wire fraud and securities fraud, and a fine of not more than \$5,000,000 on securities fraud.

“Sandler led people to believe he was a legitimate business man,” stated U.S. Attorney Franklin. “He took advantage of a community that trusted him as a business leader. We hope that this prosecution sends a clear message that such conduct will not be tolerated.”

FBI Special Agent in Charge James Jewell stated, “The FBI will continue to partner with the Alabama Securities Commission to ensure the victims of fraudulent investment schemes receive their full measure of justice. This justice is made possible through our strong relationships with agencies like the 37th Judicial Circuit District Attorney’s Office and the Opelika Police Department.”

Joseph P. Borg, Director of the Alabama Securities Commission said, “The Commission is always proud to partner with the U.S. Attorney’s Office, Middle District of Alabama, and the FBI, to protect Alabama investors and prevent the corruption of our capital markets. Sandler abused the trust of the community and we will continue to devote our efforts and resources to aggressively investigate and prosecute those who abuse that confidence.”

This case was investigated by the Federal Bureau of Investigation (FBI) and the Alabama Securities Commission, with assistance from the District Attorney’s Office for the 37<sup>th</sup> Judicial Circuit and the Opelika Police Department. The case was prosecuted by Assistant United States Attorneys Steven H. Lee and Denise O. Simpson, and Special Assistant United States Attorneys Amanda W. Senn and Stephen P. Feaga.