



Department of Justice

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FOUNDER OF LEE COUNTY-BASED COMPANY SENTENCED FOR WIRE AND SECURITIES FRAUD

Montgomery, Alabama – Today, Kyle Geoffrey Sandler, 43, of Auburn, Alabama, was sentenced to 63 months of imprisonment for wire and securities fraud, announced Louis V. Franklin, Sr., U.S. Attorney for the Middle District of Alabama, Joseph P. Borg, Director of the Alabama Securities Commission, and James E. Jewell, Special Agent in Charge for the FBI. Those charges stemmed from a scheme in which he solicited and accepted nearly \$2 million from over 70 investors while selling securities of a company that was not registered on a national securities exchange. Sandler’s prison term will be followed by 3 years of supervised release. There is no parole in the federal system. Sandler was also ordered to pay \$1,903,000.00 in restitution to his victims.

Evidence showed that from 2015 through 2016, Sandler founded and managed a company called The Roundhouse LLC (Roundhouse), based in Lee County, Alabama. Throughout the Auburn and Opelika communities, Sandler advertised that Roundhouse was a business incubator that helped new and startup companies develop by providing services such as venture capital, office space, 1-gigabit internet, and management training in return for equity in the companies. During the course of his business, Sandler accepted approximately \$1.9 million from at least 74 investors and he knowingly sold shares in Roundhouse that were not registered on a national securities exchange. In exchange for the fraudulently obtained investments, Sandler issued stock in Roundhouse and oversold the equity by approximately one hundred percent.

In addition, Sandler made false statements and omitted facts to investors. For example, Sandler misrepresented to potential Roundhouse investors in Lee County that he was a successful entrepreneur who was paid millions of dollars from Google as a former employee although he never actually worked for the tech company. He also failed to disclose to investors that he had two prior criminal convictions based on fraudulent conduct, nor did he tell Roundhouse investors that he was using their funds for personal expenses such as childcare services, rent payments, the purchase of automobiles and other personal items and/or services.

“Mr. Sandler violated the trust of his investors with lies and deception,” said U.S. Attorney Franklin. “They trusted him with their hard earned money, and he used it as his personal piggybank. My office will continue to work with our law enforcement partners to protect the community from these types of schemes.”

Joseph P. Borg, Director of the Alabama Securities Commission said, “The Commission is always proud to work with the U.S. Attorney’s Office, Middle District of Alabama, and the FBI, to protect Alabama citizens from illegal securities offerings and fraudulent activities. Today, the hard work and the collective professional efforts of all enforcement agencies involved provided justice and hopefully sends a message that financial fraud will not be tolerated in Alabama.”

FBI Special Agent in Charge James Jewell stated, “The men and women of the FBI stand ready to fight this type of deception of innocent investors. We appreciate the work of the Alabama Securities Commission as well as the United States Attorney’s Office and look forward to partnering with them in the future to eradicate this type of behavior.”

The case was investigated by the Federal Bureau of Investigation (FBI) and the Alabama Securities Commission. The case was prosecuted by Assistant United States Attorney Denise O. Simpson, Special Assistant United States Attorney Amanda W. Senn, and former Middle District Assistant United States Attorney Steven H. Lee.