



PRESS RELEASE

Attorney General Frosh and Securities Commissioner Issue Cease and Desist Against Unregistered Investment Broker

BALTIMORE, MD (December 20, 2019) – Maryland Attorney General Brian E. Frosh today announced that his Securities Division has issued a [Summary Order to Cease and Desist](#) against Lovet Ako and Gold Street Capital Fund, LP. Ako, operating largely from Laurel and Silver Spring, allegedly engaged in fraud by selling questionable hedge fund investments to Marylanders. The Order also accuses Ako of making false filings with the Securities Commissioner, offering and selling unregistered securities, and being an unregistered investment adviser, investment adviser representative, broker-dealer, and agent.

According to the Order, Ako made false filings with the Securities Commissioner when setting up Gold Street Capital Fund, LP., a purportedly sophisticated hedge fund. Ako sold interests in the fund, promising that investors would not lose money and that he would be paid based on the fund's performance. Instead, Ako is accused of misappropriating much of investors' funds, and on the rare occasions when he did invest, the investments lost money almost every month until none was left. At the same time, Ako claimed to investors that the fund was making money and even paid some investors "returns" comprised of dwindling sums of others' investments. Ultimately, Ako failed on his promise to pay investors' fees owed to an unrelated self-directed IRA custodian holding individuals' Gold Street investments and, when suspicious investors asked for their money back, Ako repeatedly promised to do so and failed.

In all, the Division estimates that Ako received approximately \$700,000 from investors in Gold Street, with roughly \$300,000 invested and lost. The Order alleges that Ako misappropriated an estimated \$400,000.

"We allege Lovet Ako used his hedge fund as his own personal slush fund," said Attorney General Frosh. "Maryland investors should be wary of anyone promising positive returns, particularly in risky investments like newly-created hedge funds managed by unlicensed investment advisers."

The Securities Division is seeking sanctions against Ako and Gold Street, including fines and a permanent bar from the securities and investment advisory business in Maryland.

The Attorney General encourages anyone who invested monies with Lovet Ako or Gold Street Capital Fund to contact the Securities Division at 410-576-6882 or by email at securities@oag.state.md.us. Investors are strongly encouraged to check with the Securities

Division before they invest or entrust their monies to a financial adviser to verify that the individual is appropriately registered, and to inquire about the adviser's disciplinary history.