

# Miami Beach resident ordered to pay \$5.7M to resolve 'pump and dump' fraud charges - South Florida Business Journal


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Miami Beach resident [Garrett O'Rourke](#) was ordered to pay \$5.7 million in allegedly ill-gotten gains to resolve charges connected to a ["pump and dump" scam that targeted retail investors](#), according to a final consent judgment filed by the U.S. Securities and Exchange Commission.

O'Rourke, who did business under the name "Jonathan Banks," was charged with running the scheme in 2019. According to the original complaint, O'Rourke and his business partner, Michael J. Black, used **high-pressure sales tactics** to convince prospective investors to put money in a penny stock company called AVI Group Inc., described as a holding company that focused on acquisitions and joint ventures.

The complaint accused O'Rourke of lying about his association with  legitimate financial institutions to bolster the prospects of AVI Group. He told investors he worked for a Florida-based investment advising firm that offered stock advice to clients when, in fact, he and his co-conspirators worked out of call rooms based in Florida and Medellin, Colombia, according to court documents.

O'Rourke and Black were able to **artificially** increase AVI Group's stock price by persuading investors to purchase shares, the complaint stated. Once the price went up, they dumped shares at inflated prices and split the profits from the sales, the complaint stated.

"The defendants' victims, including the elderly retail investors who invested their retirement savings based on O'Rourke's material misrepresentations, were left holding losing investments while the defendants profited handsomely," the complaint said.

The SEC's litigation against Black is ongoing.

O'Rourke, who was also charged criminally in U.S. District Court for the Eastern District of New York, is still in plea negotiations with federal prosecutors.

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