

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9913 / September 15, 2015

SECURITIES EXCHANGE ACT OF 1934
Release No. 75928 / September 15, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4196 / September 15, 2015

INVESTMENT COMPANY ACT OF 1940
Release No. 31826 / September 15, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16813

In the Matter of

Jeffrey B. Rubin,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE AND
CEASE-AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933, SECTION 15(b) OF
THE SECURITIES EXCHANGE ACT OF 1934,
SECTIONS 203(f) AND 203(k) OF THE
INVESTMENT ADVISERS ACT OF 1940, AND
SECTION 9(b) OF THE INVESTMENT
COMPANY ACT OF 1940, MAKING FINDINGS,
AND IMPOSING REMEDIAL SANCTIONS AND
A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), Section 15(b) of the Exchange Act of 1934 (“Exchange Act”), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Jeffrey B. Rubin (“Respondent” or “Rubin”).

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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 15(b) of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

Summary

1. From early 2008 through March 2011 (the “relevant time period”), Jeffrey B. Rubin, the president of Pro Sports Financial, Inc. (“Pro Sports”), failed to disclose to his clients the personal expenses he was reimbursed out of the proceeds of a securities offering in which he advised them to invest. In 2007, Rubin, a close friend to many professional athletes, started Pro Sports Financial, Inc. (“Pro Sports”) to assist professional athletes with their various day-to-day personal needs. Rubin also served as the investment adviser to his Pro Sports clients (“Pro Sports Clients”).

2. During the relevant time period, at least thirty Pro Sports Clients, either at the recommendation of Rubin or an Alabama businessman (the “Project Developer”), invested a total of approximately \$40 million in the development of an entertainment complex and casino in Dothan, Alabama called Country Crossings (the “Country Crossings Offering”). Pursuant to a private placement memorandum (“PPM”), Rubin’s Pro Sports Clients invested in Country Crossings by purchasing promissory notes to help secure the land for the project. In addition, as a note holder, investors received unit interests in Country Crossings. As stated in the PPM, Rubin had an equity interest in the success of Country Crossings.

3. Rubin also spearheaded the marketing of Country Crossings to all prospective investors. Rubin sought and received from the Project Developer reimbursement of approximately \$600,000 out of the offering proceeds for purported marketing expense reimbursements when, in fact, Rubin had incurred the expenses not for Country Crossing marketing purposes but rather to fund his lavish lifestyle, including for the mortgage on a multi-million dollar home, the lease payments on a Lamborghini Gallardo Spyder, cruise vacations, designer handbags and spa services for friends, and a stake in a Florida nightclub. Rubin did not

disclose to his Pro Sports Clients that he had been reimbursed for these personal expenses from the offering proceeds.

Respondent

4. **Jeffrey B. Rubin**, age 41, is a resident of Denver, Colorado. He is the founder and former president of Pro Sports Financial, Inc. From July 2006 through February 2011, Rubin was a registered representative with two SEC-registered broker-dealers. From April 2008 through February 2010, he was associated with Alterna Wealth Management, LLC (“Alterna”), now known as Socius Family Office, LLC. During the period of Rubin’s association with the firm, Alterna was registered as an investment adviser with the state of Florida and, as of October 5, 2009, also with Texas. Rubin previously held Series 6, 7, 24, and 63 licenses. In March 2013, FINRA permanently barred Rubin from the securities industry based upon similar conduct at issue here. Rubin has also been named as a defendant in several private lawsuits in both federal and state court, and has been a respondent in at least two FINRA arbitrations.

Other Relevant Entities

5. **Pro Sports Financial, Inc.** was formed in 2007 and until September 2012 was a Florida corporation with its principal place of business in Fort Lauderdale, Florida. Pro Sports provided its professional athlete clients with “concierge” services such as paying monthly bills, obtaining life insurance policies, booking travel, handling tax returns, and setting up trusts for family members. Pro Sports has never been registered with the Commission in any capacity.

6. **Socius Family Office, LLC (“Socius”)**, a Florida limited liability company with its principal place of business in Boca Raton, Florida, was formed in 2012. From 2007 until 2012, Socius was known first as Alterna Wealth Management, Inc. and then later as Alterna Wealth Management, LLC. From 2007 through June 2010, Alterna was registered as an investment adviser with the state of Florida. Alterna was also registered as an investment adviser with Texas as of October 5, 2009, and with New York as of March 22, 2010. On June 22, 2010, Alterna (as Socius) filed a partial Form ADV-W withdrawing its state registrations as an investment adviser in favor of SEC registration. According to its most recent Form ADV filed with the Commission on March 31, 2015, Socius has assets under management of approximately \$168 million.

Background

7. In 2007, Rubin formed Pro Sports to serve as a “concierge” service for professional athletes, largely current and former NFL players with whom Rubin shared a long-term friendship. At the time, Rubin had already been working in the securities industry as a registered representative with an SEC-registered broker-dealer.

8. Rubin set up Pro Sports to serve as a one-stop-shop for a professional athlete’s day-to-day personal needs such as, among other things, facilitating online monthly bill payments,

securing life insurance policies, arranging travel, vacations, and relocations, running errands, event planning, and handling car and mortgage payments.

The Country Crossings Offering

9. In or around January 2008, at least two Pro Sports Clients learned about an investment opportunity through the Project Developer. At a meeting with Pro Sports Clients, and not in Rubin's presence, the Project Developer touted the financial prospects of the Country Crossings Offering.

10. In or around March 2008, the Project Developer approached a Florida-based law firm (the "FL Law Firm") that regularly provided legal services to Pro Sports Clients to provide the legal services needed for the Country Crossings Offering, including drafting the PPM, subscription agreements, and other offering related documents (the "Offering Documents").

11. Word of the Country Crossings Offering began to spread throughout NFL locker rooms as a promising investment. As a result, Rubin began receiving numerous phone calls from his Pro Sports Clients inquiring about the prospective financial investment.

12. Shortly thereafter, a partner at the FL Law Firm contacted Rubin about the Country Crossings Offering and encouraged him to attend a meeting at the firm, along with many Pro Sports Clients. Given his clients' interest and the potential opportunity presented, Rubin decided to attend the meeting.

13. At the meeting, the Project Developer presented the Country Crossings Offering, including a discussion of the casino. According to the Project Developer, the casino would include electronic bingo, a casino game that he represented was legal in the State of Alabama. He compared Country Crossings to Branson, Missouri, stating that it would be the next "destination spot."

14. Everyone at the meeting, including Rubin and his Pro Sports Clients, was enthusiastic about the financial opportunity presented. Shortly thereafter, the FL Law Firm, without any involvement from Rubin, began drafting the Offering Documents to facilitate the Country Crossings Offering.

15. Specifically, investments made in Country Crossings were effectuated by purchasing promissory notes from Ronnie Gilley Properties, LLC, an Alabama limited liability company and the entity securing the land for Country Crossings. In addition, as a note holder, investors received unit interests in Country Crossings LLC, Resorts & Entertainment Group II, LLC, and Resorts Development Group II, LLC. Resorts & Entertainment Group II, LLC and Resorts Development Group II, LLC, both Alabama limited liability companies, were the operating and development companies of Country Crossings, respectively.

16. Ultimately, during the relevant time period, at least thirty Pro Sports Clients invested a total of approximately \$40 million in the Country Crossings Offering. Rubin recommended the Country Crossings investment to his advisory clients, including the Pro Sports Clients. The Pro Sports Clients viewed Rubin as their investment adviser with respect to all financial matters, including the Country Crossings Offering.

17. Rubin had a 4% equity interest in Country Crossings, as disclosed in the Offering Materials. His equity interest came in the form of unit interests in Country Crossings which he received at the outset, before he started marketing the project. His equity interest was not contingent upon the success of his marketing efforts or the offering. Rubin orally informed at least some of the Pro Sports Clients about his stake in the project.

Rubin Receives Investor Proceeds Under the Guise of Reimbursement for Legitimate Marketing Expenses

18. In or around March 2008 through as late as March 2011, Rubin marketed the Country Crossings Offering by traveling around the country to meet with prospective investors, all of whom were his friends or Pro Sports Clients. Rubin also tried to generate interest in the project by pitching celebrities to serve as spokespeople or performers for the grand opening of Country Crossings.

19. Rubin was reimbursed by the Project Developer to market the Country Crossings Offering. The majority of his Pro Sports Clients knew about this financial arrangement, and they often capitalized on the reimbursable lavish meals and swank entertainment when Rubin pitched the investment to them.

20. During the relevant period, Rubin each month charged tens of thousands of dollars in costs associated with marketing the Country Crossings Offering to his credit cards.

21. The Project Developer without asking questions approved and reimbursed any expenses that Rubin submitted to him.

22. From August 2008 through at least July 2010, the Project Developer reimbursed Rubin for the expenses Rubin incurred in marketing the Country Crossings Offering. Rubin would then apply the funds to reduce his credit card balances.

23. During that same time period, apart from other reimbursements, the Project Developer also made numerous wire transfers purportedly to reimburse Rubin for additional legitimate marketing expenses totaling approximately \$600,000 from a bank account (the "Bank Account") to an account at a different bank held in the name of Pankas Holdings, LLC (the "Pankas Account"). The Bank Account was the same account Pro Sports Clients used, as set forth in the subscription agreement, to wire funds to invest in the Country Crossings Offering. Rubin was the sole beneficiary of the Pankas Account.

24. Instead, these expenses totaling approximately \$600,000 were false expenses Rubin submitted to the Project Developer under the guise of legitimate marketing expenses. Rubin used approximately \$600,000 of investor proceeds reimbursed to him by the Project Developer to fund his lavish lifestyle to pay for a mortgage on a multi-million dollar home, the lease payments on a Lamborghini Gallardo Spyder, and a stake in a Florida nightclub, and to pay for personal credit card charges he incurred for cruise vacations, designer handbags and spa services for friends, and numerous outings to South Beach nightclubs.

25. In January 2010, Alabama law enforcement shut down the Country Crossings casino due to state issues related to the legality of electronic bingo. The Project Developer and Rubin continued to solicit investor proceeds to reopen Country Crossings. The casino never reopened.

26. In April 2011, the Project Developer pled guilty to, among other things, bribery and money laundering related to buying and selling votes on proposed gambling legislation designed to protect gambling facilities like Country Crossings. The Project Developer is currently serving an 80 month sentence.

27. In March 2013, FINRA permanently barred Rubin for the same conduct.

Violations

28. As a result of the conduct described above, Respondent willfully violated Sections 17(a)(1) and 17(a)(3) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

29. As a result of the conduct described above, Respondent willfully violated Section 206(1) of the Advisers Act, which prohibits any investment adviser from employing any device, scheme, or artifice to defraud any client or prospective client.

30. As a result of the conduct described above, Respondent willfully violated Section 206(2) of the Advisers Act, which prohibits an investment adviser from, directly or indirectly, engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

Disgorgement

31. Respondent has submitted a sworn Statement of Financial Condition dated May 12, 2015, and other evidence and has asserted his inability to pay disgorgement plus prejudgment interest.

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, pursuant to Section 8A of the Securities Act, Section 15(b) of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent shall cease and desist from committing or causing any violations and any future violations of Sections 17(a)(1) and 17(a)(3) of the Securities Act and Sections 206(1) and 206(2) of the Advisers Act.

B. 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;

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; and

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

C. Any reapplication for association by 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 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.

D. Respondent shall pay a civil money penalty of \$250,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury in accordance with Exchange Act Section 21F(g)(3). Within 10 days of the entry of this Order, Respondent shall pay \$100,000, and the remaining balance shall be paid in equal installments of \$50,000 within 120, 240, and 360 days of the entry of the Order. If any payment is not made by the date the payment is

required by this Order, the entire outstanding balance of civil penalties, plus any additional interest accrued pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Jeffrey B. Rubin as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Julie Riewe, Co-Chief, Asset Management Unit, Division of Enforcement, Securities and Exchange Commission, 100 F. St., NE, Washington, DC 20549.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary