

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71548 / February 12, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15752

In the Matter of

DAVID L. ROTHMAN,

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against David L. Rothman (“Respondent”).

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, Respondent consents to the Commission’s jurisdiction over him and the subject matter of these proceedings and to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. Rothman was a registered representative, Vice President and minority owner of Rothman Securities, Inc. ("RSI"), a broker dealer registered with the Commission. Rothman obtained his Financial Industry Regulatory Authority Series 7, 24, 51 and 63 licenses between 1985 and 2003. Rothman, age 50, is a resident of Richboro, Pennsylvania.

2. On January 27, 2014, a final judgment ("Final Judgment") was entered by consent against Rothman in the civil action entitled Securities and Exchange Commission v. David L. Rothman, Civil Action Number 2:12-cv-05412-BMS, in the United States District Court for the Eastern District of Pennsylvania. The Final Judgment permanently enjoins Rothman from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, orders him to pay disgorgement of \$505,431, and provides that the disgorgement will be deemed satisfied upon the entry of an order requiring restitution in an amount equal to or greater than \$505,431 in the related criminal matter United States v. David L. Rothman, Case Number 2:12-cr-00513-BMS, in the United States District Court for the Eastern District of Pennsylvania (the "Criminal Action").

3. The Commission's complaint alleged that from 2006 to 2011, while associated with RSI, Rothman issued false account statements to certain elderly and unsophisticated investors that materially overstated the value of their investment accounts. When the investors discovered that Rothman had misrepresented the value of their investments, Rothman engaged in a scheme to conceal his fraudulent conduct by agreeing to pay those investors the investment returns he reported on the false account statements. When Rothman could no longer afford to make those payments, he misappropriated funds from another elderly and unsophisticated investor and from two accounts for which he served as trustee. Rothman used a substantial portion of the misappropriated funds for his personal benefit.

4. On March 26, 2013, Rothman pled guilty to one count of wire fraud in violation of Title 18 United States Code, Section 1343 and one count of money laundering in violation of Title 18 United States Code, Section 1957 in the Criminal Action.

5. The charges in the criminal indictment filed against Rothman in the Criminal Action are based largely on the same conduct alleged in the Commission's Complaint.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Rothman's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, Respondent Rothman 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; and 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.

Any reapplication for association by the 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 the 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.

By the Commission.

Elizabeth M. Murphy
Secretary