

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73294 / October 3, 2014

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3589 / October 3, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16186

In the Matter of

PETER A. JENSON, Chartered
Accountant

Respondent.

**ORDER INSTITUTING PUBLIC
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 4C OF THE
SECURITIES EXCHANGE ACT OF 1934
AND RULE 102(e) OF THE
COMMISSION'S RULES OF PRACTICE,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public administrative proceedings be, and hereby are, instituted against Peter A. Jenson, Chartered Accountant ("Respondent" or "Jenson") pursuant to Section 4C¹ of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 102(e)(1)(iii) of the Commission's Rules of Practice.²

¹ Section 4C provides, in relevant part, that:

The Commission may censure any person, or deny, temporarily or permanently, to any person the privilege of appearing or practicing before the Commission in any way, if that person is found . . . (3) to have willfully violated, or willfully aided and abetted the violation of, any provision of the securities laws or the rules and regulations thereunder.

² Rule 102(e)(1)(iii) provides, in pertinent part, that:

The Commission may . . . deny, temporarily or permanently, the privilege of appearing or practicing before it . . . to any person who is found...to have willfully

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. Respondent admits the facts set forth in Annex A attached hereto, acknowledges that his conduct violated federal securities laws, admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and consents to the entry of this Order Instituting Public Administrative Proceedings Pursuant to Section 4C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds³ that:

A. RESPONDENT

Peter A. Jenson, age 48, was a Managing Director and the Chief Operating Officer of Harbinger Capital Partners LLC (“Harbinger”) from April 2009 through July 2011. Jenson is an Australian citizen and resides in Winnetka, Illinois. Jenson was at one time licensed as a certified public accountant in Maryland, but his license expired in 2007. Jenson has active designation as a Chartered Accountant. Jenson previously was a Member of the Financial Services Institute of Australia and previously held a Series 27 license.

B. FACTS

1. On August 13, 2013, Philip A. Falcone (“Falcone”) and Harbinger entered into a Final Consent Judgment to resolve the claims asserted against them in the civil action 12-CV-5028 (PAC) (the “Action”) pending in the United States District Court for the Southern District of New York. As part of the Consent Judgment, Falcone and Harbinger admitted, among other things, that on October 14, 2009, without seeking or obtaining investor consent, in connection with the purchase, offer or sale of a security, Falcone improperly borrowed \$113.2 million from the Harbinger Capital Partners Special Situations Fund, L.P. (“SSF”) to pay his state and federal taxes.

2. Jenson, Harbinger’s Chief Operating Officer, among other things, executed the loan agreement and other transaction documents on behalf of the SSF in connection with the loan.

3. The loan agreement provided that “[t]he Lender’s counsel shall have provided advice to the Lender to the effect that the making of the Loan ... would not be inconsistent with the

violated, or willfully aided and abetted the violation of any provision of the Federal securities laws or the rules and regulations thereunder.

³ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Borrower's fiduciary obligation to the Lender." Jenson, however, did not ensure that SSF as lender had separate counsel, and did not ensure that the loan was consistent with the Borrower's fiduciary obligation to the Lender.

4. Jenson also failed to ensure that Falcone paid an "above market" interest rate on the loan, failed to timely disclose the loan to investors, and failed to take actions to cause the SSF to accelerate Falcone's payment on the loan once investors in the SSF were permitted to begin redeeming their investments.

5. Jenson, with knowledge of Falcone's and Harbinger's violations in connection with the loan, substantially assisted these violations.

6. On October 1, 2014, the U.S. District Court for the Southern District of New York entered a final consent judgment against Jenson enjoining him from acting or being an associated person of any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, as those terms are defined in Section 3 of the Exchange Act and Section 202 of the Investment Advisers Act of 1940 ("Advisers Act"). Jenson was further ordered to pay a civil penalty in the amount of \$200,000 to the Commission.

IV.

In view of the foregoing, the Commission finds that Jenson willfully aided and abetted violations of Section 206 of the Advisers Act and further the Commission deems it appropriate pursuant to Rule 102(e)(1)(iii) of the Commission's Rules of Practice to impose the sanctions agreed to in Jenson's Offer.

Accordingly, it is hereby ORDERED, effective immediately, that:

A. Jenson is denied the privilege of appearing or practicing before the Commission as an accountant.

B. After two years from the date of this order, Respondent may request that the Commission consider his reinstatement by submitting an application (attention: Office of the Chief Accountant) to resume appearing or practicing before the Commission as:

1. a preparer or reviewer, or a person responsible for the preparation or review, of any public company's financial statements that are filed with the Commission. Such an application must satisfy the Commission that Respondent's work in his practice before the Commission will be reviewed either by the independent audit committee of the public company for which he works or in some other acceptable manner, as long as he practices before the Commission in this capacity; and/or
2. an independent accountant. Such an application must satisfy the Commission that:

- (a) Respondent, or the public accounting firm with which he is associated, is registered with the Public Company Accounting Oversight Board (“Board”) in accordance with the Sarbanes-Oxley Act of 2002, and such registration continues to be effective;
- (b) Respondent, or the registered public accounting firm with which he is associated, has been inspected by the Board and that inspection did not identify any criticisms of or potential defects in the respondent’s or the firm’s quality control system that would indicate that the respondent will not receive appropriate supervision;
- (c) Respondent has resolved all disciplinary issues with the Board, and has complied with all terms and conditions of any sanctions imposed by the Board (other than reinstatement by the Commission); and
- (d) Respondent acknowledges his responsibility, as long as Respondent appears or practices before the Commission as an independent accountant, to comply with all requirements of the Commission and the Board, including, but not limited to, all requirements relating to registration, inspections, concurring partner reviews and quality control standards.

C. The Commission will consider an application by Respondent to resume appearing or practicing before the Commission provided that he obtains a state CPA license and he has resolved all other disciplinary issues with the applicable state boards of accountancy. However, if state licensure is dependent on reinstatement by the Commission, the Commission will consider an application on its other merits. The Commission’s review may include consideration of, in addition to the matters referenced above, any other matters relating to Respondent’s character, integrity, professional conduct, or qualifications to appear or practice before the Commission.

By the Commission.

Brent J. Fields
Secretary

ANNEX A

Peter A. Jenson (“Jenson”) admits to the facts set forth below and acknowledges that his conduct violated the federal securities laws:

1. On August 13, 2013, Philip A. Falcone (“Falcone”) and Harbinger Capital Partners LLC (“Harbinger”) entered into a Final Consent Judgment to resolve the claims asserted against them in the civil action 12-CV-5028 (PAC) (the “Action”) pending in the United States District Court for the Southern District of New York. As part of the Consent Judgment, Falcone and Harbinger admitted, among other things, that on October 14, 2009, without seeking or obtaining investor consent, in connection with the purchase, offer or sale of a security, Falcone improperly borrowed \$113.2 million from the Harbinger Capital Partners Special Situations Fund, L.P. (“SSF”) to pay his state and federal taxes.

2. Jenson, Harbinger’s Chief Operating Officer, among other things, executed the loan agreement and other transaction documents on behalf of the SSF in connection with the loan.

3. The loan agreement provided that “[t]he Lender’s counsel shall have provided advice to the Lender to the effect that the making of the Loan ... would not be inconsistent with the Borrower’s fiduciary obligation to the Lender.” Jenson, however, did not ensure that SSF as lender had separate counsel, and did not ensure that the loan was consistent with the Borrower’s fiduciary obligation to the Lender.

4. Jenson also failed to ensure that Falcone paid an “above market” interest rate on the loan, failed to timely disclose the loan to investors, and failed to take actions to cause the SSF to accelerate Falcone’s payment on the loan once investors in the SSF were permitted to begin redeeming their investments.

5. Jenson, with knowledge of Falcone’s and Harbinger’s violations in connection with the loan, substantially assisted these violations.