

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10953 / June 30, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20379

In the Matter of

**REUBEN ROBERT GOLDMAN
and TWO TRIANGLE
CONSULTING GROUP, LLC
d/b/a GOLDMAN SMALL CAP
RESEARCH,**

Respondents.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933, MAKING FINDINGS, AND
IMPOSING A CEASE-AND-DESIST
ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), against Reuben Robert “Rob” Goldman (“Goldman”) and Two Triangle Consulting Group, LLC d/b/a Goldman Small Cap Research (“GSCR”) (collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and Desist Order (“Order”), as set forth below.

III.

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

1. Goldman, age 52, is a resident of Pikesville, Maryland. Goldman is the founder, owner, and sole employee of GSCR and serves as its "chief analyst." Between 1989 and 2003, Goldman was associated with several broker-dealers and held Series 7, 62, 63, and 65 licenses.

2. GSCR is a Maryland limited liability company with its principal place of business in Baltimore, Maryland. GSCR distributes stock market research and promotional material through its web site (GoldmanResearch.com), subscription-based e-mail lists, and its accounts on Twitter and Facebook. GSCR's website describes it as "a leading provider of sponsored content on small cap and microcap stocks and non-sponsored content on the stock market." GSCR is not registered with the Commission in any capacity.

3. GSCR's business primarily consists of producing promotional materials about microcap issuers and distributing these materials online to potential investors in exchange for cash payments from the issuers or third parties. Since GSCR's inception, Goldman has drafted nearly all of GSCR's publications, and he has personally drafted and publicly posted all of GSCR's tweets.

4. Between April 28, 2016 and March 2, 2021, Goldman used GSCR's Twitter account (@GoldmanSmallCap) to publish twenty-nine sponsored promotional tweets that failed to disclose that GSCR had been compensated by the issuers to promote their securities. Specifically, these twenty-nine tweets promoted the securities of issuers that had paid GSCR for promotional services, but did not disclose that they were paid promotions or identify the amount of GSCR's compensation.

5. Each of the twenty-nine tweets included positive messages about the issuer's business or commentary on the potential value of the issuer's securities. In each of the tweets, Goldman included a "cashtag"—the issuer's ticker symbol preceded by a dollar sign ("\$").

6. As a result of the conduct described above, Respondents violated Section 17(b) of the Securities Act, which prohibits publishing, giving publicity to, or circulating "any notice, circular, advertisement . . . or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer . . . without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof."

Disgorgement and Civil Penalties

The disgorgement and prejudgment interest ordered in Section IV is consistent with equitable principles, does not exceed Respondents' net profits from their violations, and returning the money to Respondents would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in Section IV shall be transferred

to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934 (“Exchange Act”).

Undertakings

Respondents Goldman and GSCR have undertaken to:

Within ninety (90) days of the entry of this Order, conduct a comprehensive review of the disclosure practices of all entities they directly or indirectly own or control, and implement policies and procedures regarding compliance with Section 17(b) of the Securities Act, including with that Section’s requirements concerning disclosure of both the receipt of consideration and the amount thereof.

Certify, in writing, compliance with the undertaking set forth above. The certification shall identify the undertaking, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondents agree to provide such evidence. The certification and supporting material shall be submitted to Assistant Regional Director Danielle R. Voorhees, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertaking.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents’ Offer.

Accordingly, it is hereby ORDERED that:

- A. Respondents Goldman and GSCR cease and desist from committing or causing any violations and any future violations of Section 17(b) of the Securities Act.
- B. Respondents shall comply with the undertakings enumerated in Section III.
- C. Respondents shall, within ninety (90) days of the entry of this Order, pay, jointly and severally, disgorgement of \$39,931 and prejudgment interest of \$3720.82 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.
- D. Respondents shall, within ninety (90) days of the entry of this Order, pay, jointly and severally, a civil money penalty in the amount of \$39,931 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents 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) Respondents 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 Goldman and/or GSCR as Respondents 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 Jason J. Burt, Associate Regional Director, Securities and Exchange Commission, 1961 Stout Street, Suite 1700, Denver, CO 80294.

E. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within thirty days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent Goldman and/or Respondent GSCR by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

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 Goldman, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent Goldman 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 Goldman 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.

Vanessa A. Countryman
Secretary