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PRELIMINARY STATEMENT
STATEMENT OF FACTS
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1 STATEMENT OF FACTS

2 Mr. Rossi has (\$125,165) of total liabilities.

3 \$33,567 was borrowed from his Father from January 2017 to May 2019 as loans payable back
4 to his Father. \$8,000 was paid back to his father of the course of 13 months. In the Parties Joint
5 Exhibits, section 15, pages 1 thru 13 show amounts borrowed and amounts paid back of the loans.
6 In the Supplemental exhibits Mr. Rossi filed and discussed in the August 21, 2019 hearing
7 Exhibit 5, page 1 has a summary of Loans versus gifts from his Father with a distinction of Loans
8 versus Gifts showing a total debt of [REDACTED] as supplied in Form D-A in the Joint Exhibits list
9 Section 9 by Mr. Rossi

10 [REDACTED] was borrowed from Susan Kmec from December 2016 to October 2017. In the Joint
11 Exhibits, section 16, all pages show the \$100 repayment to Ms. Kmec as repayment of the loan.

12 [REDACTED] due to Chase Auto for a 2017 Hyundai in the Joint Exhibits list, section 19. The
13 Hyundai as a value of 15,230 as presented in the Supplemental List Exhibit 3. Mr. Rossi does not
14 own the vehicle until the title is transferred to him. Since the bank owns the vehicle there is no
15 value to Mr. Rossi for the SUV.

16 \$11,595 of debt to Nationwide Life Insurance. Joint Exhibit section 20, shows loans payable to
17 Nationwide. \$50 per month is paid every month to Nationwide. Joint Exhibit 32, USAA Savings
18 bank Statements, First Statement Dated April 5, 2019 to May 7, 2019 on 04/25 (Page 4) shows
19 the \$50 payment.

20 [REDACTED] Rossi (dependent of Mr. Rossi).
21 \$5,054.50 from prior balance that Mr. Rossi has not been able to pay plus [REDACTED] of Future
22 balance due from Spring 2019 semester. These are debts from past semesters and do not reflect
23 any future Fall 2019 and or Spring 2019 debt that will come due.

24 [REDACTED] Rossi (dependent of Mr. Rossi). [REDACTED] due from
25 Summer 2019 Semester and [REDACTED] due for Fall 2019 Semester.

1 [REDACTED] in credit card debt. Joint Exhibits List; 22,23,24,25,26,27 & 28. From the Joint
2 Exhibit list, Exhibits 25 for Citibank has debt that has not allowable credit since at the statement
3 states "You are in a payment program" since Mr. Rossi did not have the ability to pay the debt.

4 Mr. Rossi owes Taxes to the Town of Fairfield & the State of Connecticut. Motor Vehicle
5 Taxes of [REDACTED], Joint Exhibit List, Exhibit 29, shows the State of Connecticut Motor Vehicle Tax
6 for 2019 while Joint Exhibit List, Exhibit 31, shows Sewer Tax debt of [REDACTED].
7

8
9 Mr. Rossi has tried several times to make additional income to create the ability to pay without success.

10 Mr. Rossi entered into an agreement with HS Dragon, Supplemental Exhibit, Exhibit 4 shows Mr.
11 Rossi trying to create more income. Mr. Rossi also tried to create income from playing online
12 [REDACTED]. Mr. Rossi stopped in April 2019 after not succeeding.

13 Mr. Rossi has made nominal amounts of Gross Income. Joint Exhibit List, Exhibits 11, 12, & 13, 2016,
14 2017 & 2018 Federal Tax returns shows Mr. Rossi's Gross income at [REDACTED] &
15 [REDACTED] respectively.
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ARGUMENT

I. **THE COURT SHOULD ENTER AN ORDER FOR NO DISGORGEMENT AND NO CIVIL PENALTIES TO MR. ROSSI AND SJL CAPITAL.**

In accordance with Rule 630, 17 C.F.R § 201.630, in support of Mr. Rossi's inability to pay defense, Mr. Rossi submitted (1) his form F-A; (2) 2016 to 2018 Federal Tax Returns (3) Bank account statements, (4) Credit Card statements, (5) College tuition statements, (6) Tax and Sewer statements (7) Debt Schedules on personal loans. The fees earned by Mr. Rossi were not spent quickly and without restraint. Mr. Rossi did not attempt to conceal the money he received and or engage in frivolous spending. Mr. Rossi paid back loans, school items, living items & paid utility bills with fees earned. Although Mr. Rossi is currently employed, as a father of 3 and the sole provider of all 3 of his children with no spouse or significant other to help, he is struggling to make ends meet. Mr. Rossi has had declining employment for the last 10 years in terms of title and work and being over the age of 50 will have a difficult time securing additional employment into the future thereby bringing pessimism regarding his future finances. Mr. Rossi has (1) no real estate assets (2) no savings accounts, (3) no stocks, (4) no bonds, (5) no retirement savings, and (6) no 401k or pensions. Mr. Rossi's future financial condition showing over [REDACTED] of liabilities is not, in the foreseeable future, going to get better given the responsibilities he has as a single parent fully responsible for all 3 of his kids and is argued that it will continue to get worse and the amount of liabilities Mr. Rossi has will most likely grow larger. Mr. Rossi has tried several times to make additional income in order to lower his liabilities without success. That type of initiative to lower his debt speaks to Mr. Rossi's character to take accountability for the debt and although he has not been successful he keeps trying to make things right financially. Mr. Rossi has not committed any prior violations, has voluntarily resigned from registration, has been barred in the securities industry, and has shown genuine remorse for his actions. In prior case history Scott M. Stephen, IDR # 888, File No. 3-16312, September 25, 2015 the court

1 noted smaller disgorgement and no civil penalties. Mr. Stephen's disgorgement was over 4 times
2 larger than Mr. Rossi's and the court ruled for on half of the disgorgement and no civil penalties.
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