

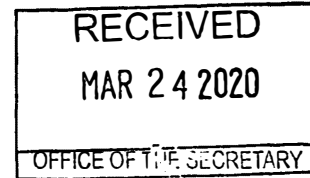
Matthew Rossi &
SJL Capital LLC

Tel: [REDACTED]
[REDACTED]@yahoo.com

March 07, 2020

Via Overnight Delivery

Ms. Vanessa A Countrymen
Acting Secretary
US Securities & Exchange Commission
Office of the Secretary
100 F St. N.E
Washington, DC, 20549



**RE: Matter of Rossi & SJL Capital LLC
Admin Proc File No. 3-19145**

Ms. Countyman;

Enclosed for filing of Rossi & SJL Capital LLC **BRIEF to REVIEW & SCHEDULING**

Sincerely,

A handwritten signature in cursive script that reads "Matthew Rossi".

Matthew Rossi / SJL Capital

cc with Enclosure: Hon James E. Grimes (via email)
Attorney Daniel Hayes (via email)

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PRELIMINARY STATEMENT

STATEMENT OF FACTS

ARGUMNET

CONCLUSION

1 which [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED] has no prior securities violations,

5 voluntarily resigned from being a registered investment advisor, has been barred from the securities

6 industry, of the \$22,000 in fees earned by Mr. Rossi none was spent on extravagant purchases and Mr.

7 Rossi expresses sincere & genuine remorse, Mr. Rossi and SJL asks the Review to grant a full reversal of

8 the Initial Decision dated December 23, 2019 .

9
10 In addressing the statement of facts and argument forthcoming, details of the Initial Decision will be
11 discussed in detail as the Brief for Review revolves around this Initial Decision.

1 STATEMENT OF FACTS

2 **Fact:** On page 3 Paragraph 3. Tthe Initial Decision fails to show Mr. Rossi as an Investor in the Fund
3 only naming prior business partner Patrick Walters, Susan Ennis, Elizabeth Stiegler and an Unidentified
4 Investor D, Larry Bobba. Purposely omitting of Mr. Rossi is an attempt to worsen the view and make the
5 Initial Decision here easier but is a serious act of omission and as Mr. Rossi himself lost personal
6 investment in the fund.

7
8 **Fact:** Page 3, Paragraph 4. “Stiegler invested in the fund at some point....” This is also an incorrect
9 statement as all the materials handed over during discovery back in 2017 show the transfer of funds from
10 Mr. Rossi’s value to Stiegler’s name of \$10,000. No funds were invested by Stiegler. This is another
11 attempt to show a worst case scenario without relying on the facts.

12 **Fact:** Page 4, Paragraph 1. “It is not clear whether the algorithm actually was, as Respondents claimed,
13 “highly successful””. This is an egregious attempt to worsen view so the Initial Decision could have the
14 best outcome of the SEC. First, there were not multiple “Respondents” as written in the Initial Decision
15 in this section. Rossi was the Respondent of record in the hearing. Second, it was stated and clear in the
16 OIP by the facts within the OIP that a return of over 100% in the total value of the fund occurred in June
17 2016 due to the algorithm on only 30% of the funds value invested. Additionally, there were 8 SMA’s
18 (Separate Managed Accounts) and 7 of them had positive returns during the months traded with the
19 algorithm. The Initial Decision here in this section tries to show a trading strategy that did not work and
20 opinion and claim of not being clear if the Algorithm was highly successful and basing decisions on
21 opinion is not justice and a continued undermining of Mr. Rossi and SJL.
22

23 **Fact:** Page 4, Paragraph 3 moving to Page 5. “Rossi told investor D via e-mail that some recent
24 trade’s notwithstanding..... The fund was down 4%” is an accurate statement and proves that Rossi and
25 SJL were communicating with investors of the losses. At the end of that month, Investor D asked for a
26 full refund of the money invested and at such point Mr. Rossi alone wrote a letter to Investor D, Larry
27 Bobba that SJL could not guarantee anyone’s investment and that would be a violation of FINRA rules
28

1 and that the value of the investment would be returned without any fees charged. The blatant exclusion of
2 all the facts in this part of the Initial Decision is again and egregious attempt to paint a picture against Mr.
3 Rossi and SJL to garner as higher a penalty as possible.

4 **Fact:** Page 5, Paragraph 3. "...he engaged in unhedged options trading that led to losses of over 8%
5 between August and October 2016. But Rossi told the Oldenkamps that Mrs. Oldenkamp's account was
6 up 9%..." This is a false statement of facts. During the SEC discovery of statements a statement was
7 provided of returns for Mrs. Oldenkamps SMA account from August 2016 to November 2016 that
8 showed a 17.98% positive return. The false facts in here do not disclose that during the middle of to end
9 of October 2016 the return was negative for that month but by the first week of November 2017 the
10 account was positive again and ended November and YTD positive. Furthermore it is a absolute false
11 statement for the Initial Decision to have the opinion that the Oldenkamp's did not know what their
12 account status was at any given hour within the day. During discovery, it was proven that the
13 Oldenkamp's logged into their accounts multiple times per day and would see the actual returns as well as
14 the volatility of the trading knowing full well and without doubt where the percentage of positive and or
15 negative return rate was as well as all the trades that were occurring, both stock and options. It is also a
16 fact from the Oldenkamp's statement on record from discovery that of the \$150,000 invested within the
17 SMA, 28,000 was long stocks, 7,000 was long options and 33,000 was short stocks in November 2016
18 with similar portfolio setup in October 2016. Furthermore, within this section of the Initial Decision the
19 insinuation that Mr. Rossi and SJL hid trading and returns is contradicted within Page 6, Paragraph 3,
20 where it states "'Mr. Oldenkamp noticed the he and Mrs. Oldenkamp had suffered large losses.....". The
21 Oldenkamp's knew every single day what their account gains and losses where and stayed during October
22 losses as well as volatility within December when Mr. Oldenkamp and Mr. Rossi had a discussion on a
23 period of losses that quickly turned into gains for the entire month of December. Herein again the
24 opinion and written false statements within the Initial Decision are egregious against Mr. Rossi and SJL
25 to garner a high a penalty as possible.

1 **Fact:** Page 8, Paragraph 1. "And the \$ [REDACTED] in loans listed in the declaration included about \$ [REDACTED]
2 owed to Rossi's father, over \$ [REDACTED] owed to Ennis and \$ [REDACTED] owed to Stiegler-none of which are
3 documented." This is an absolutely false statement and the egregious oversight of actual documents
4 submitted is a serious lack of justice in this Initial Decision. Mr. Rossi produced and submitted actual
5 deposited and bank stamped checks with clear writing in the notes section "loan" dated well before any
6 SEC investigation began. Each check was dated and signed by Rossi's father. The back of the checks
7 showed the deposit dates and actual transactions completed. Mr. Rossi produced every single bank
8 statement showing the funds deposited into his checking account the same day the checks were stamped.
9 Additionally, the bank statements produced by Mr. Rossi over more than 11 months show only 1
10 repayment to his father of \$ [REDACTED] and no other payback. Full documentation was gathered, entered and
11 produced with regards to the \$ [REDACTED] owed to Rossi's father. With regards to the Ennis loan of \$ [REDACTED]
12 actual deposits from Bank Statements were produced showing the deposits from Ennis during that time.
13 Additionally, the actual payback of the \$ [REDACTED] of \$ [REDACTED] each week via PayPal was produced and entered
14 as exhibits and document that amount of debt. The false statement that "none of which are documented"
15 is a serious concern of justice and a scary situation for an individual such as Mr. Rossi to have to endure
16 without the ability to afford counsel due to his financial condition. Justice is supposed to be blind and fair
17 as well as impartial. This statement herein is none of that.

20 **Fact:** Page 9, Paragraph 1. "Rossi has not tried to repay the Oldenkamps....." This is a false statement
21 and within this paragraph on the 3rd sentence it states "Rossi testified that he tried to reach out to the
22 Oldenkamps" is a fact that I did try to reach out to them to find a way to repay. It is convenient for this
23 Initial Decision to paint Mr. Rossi as monster with no remorse and callous ill will but that is far from the
24 facts.

26 **Fact:** Page 14, Paragraph 2. "Rossi undisclosed risky trading..." This is an opinion and not based on
27 facts since the SMA's ALL had access to their trades on a minute by minute basis every single day. The
28 Oldenkamp's even after certain months with losses and gains would look at their accounts multiple times

1 per day. Even in February 2017, the Oldenkamp's called SJL and stated "you are our guy. We can
2 recover from any losses."

3 **Fact:** Page 16, Paragraph 3 to page 17. "Rossi fails.....to provide nothing to document these personal
4 loans." This is an egregious false statement and not based on facts. Rossi provided canceled checks of
5 loans from several people including his father. Each check showed "loan" in the note section with actual
6 deposits on the bank statements provided. Additionally, no returned payments are shown on the bank
7 statements since Mr. Rossi does not have the financial ability to repay the loans. Why would someone
8 borrow money from family members, embarrassed to have to ask in order to pay rent and to keep heat in
9 the house for his kids? Loans are asked for because of the desperation to survive with close family
10 members there for that person.

11
12 **Fact:** Page 17, Paragraph 1. "Rossi entered repayment plan with Ennis after he knew the commission
13 might initiate proceeding." This is a false statement, based purely on opinion and the Commission has
14 provided no facts to base this assumption. No facts and no details have been entered and or shown by the
15 Commission to prove this. The burden of proof on this assumption and opinion lies with the
16 Commission. This is yet another example of an egregious and false statement with pure opinion to only
17 show Mr. Rossi and SJL in a poor light to garner as high a perceived penalty as possible. I am disgusted
18 by this opinion and statement by the Initial Review.

19
20 **Fact:** Page 18, Paragraph 1. "Rossi also claims that he owes about \$ [REDACTED]. He has
21 however, provided no evidence concerning how he incurred that debt." This is another false statement and
22 assumption. Mr. Rossi provided the credit card statements for the periods required by the Commission
23 for the periods in question during the trial. Those statements show credit card debt higher from the start
24 of the period in question and holding steady during the following 12 months in question. The opening
25 balances of the credit card statements do not start at [REDACTED]. Yet they start over \$ [REDACTED] in total debt
26 showing the debt was incurred PROIR to the period in question. The burden of proof of the debt is not to
27 show what the debt is, it is in credit card expenses but to show it existed during the and prior to the period
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1 in question. That has been provided and proven. The false statement by the Initial Review is yet another
2 egregious misstatement intended to show Mr. Rossi and SJL in a poor way to garner as high a penalty as
3 possible. It further reflects the pure injustice within the SEC trial process to the small guy who cannot
4 afford legal counsel. To take advantage of misstatements for the benefit of wanting to show the
5 Commission in an accurate light at the expense of an individual is not justice!.

6 **Fact:** Page 19, Paragraph 1. "Indeed, Rossi lies in January 2017, after he had squandered the funds
7 assets and induced the Oldenkamps to invest an additional \$1 million.." The Oldenkamps were aware of
8 ALL of the trades that occurred within their SMA accounts. They had access to their accounts every
9 single day and accessed those accounts multiple times a day. Rossi did not induce the Oldenkamps in that
10 month. The Initial Review argues that losses prior to Jan 2017 caused pain and suffering to the
11 Oldenkamps yet they continued to invest. How can the Commission argue that losses occurred Aug to
12 October and yet the Oldenkamps kept investing in subsequent months of November, December and
13 January? It would be impossible for Mr. Rossi to "induce" them to keep investing if they did not want to
14 willfully each and subsequent months. The false opinions and statements within the Initial Decision are
15 so egregiously wrong that they prove the fact that justice is not blind and objective to be fair to all parties.
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ARGUMENT

I. **THE REVIEW SHOULD REVERSE IN FULL ALL PENALTIES IN THE INTIAL DECISION DATED DECEMEMBER 23, 2019.**

In accordance with Rule 630, 17 C.F.R s 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, and 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 [REDACTED] [REDACTED] 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 larger
2 than Mr. Rossi's and the court ruled for on half of the disgorgement and no civil penalties with similar
3 tier penalty levels.

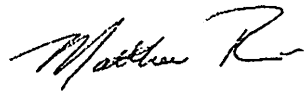
4 In prior proceedings in past history, there are several examples of cases finding more than one
5 violation, but imposing exceptionally small penalties per violation. In *In re Edgar Lee Giovannetti*,
6 Initial Dec. No. 914 (Nov. 6, 2014), Chief Judge Murray found that respondent caused six different
7 inaccurate Forms ADV to be filed. She treated each inaccurate ADV to be a separate act or omission for
8 civil money penalty purposes, and imposed a fine of \$50,000 instead of \$350,000.
9

1 CONCLUSION

2 Mr. Rossi and SJL Capital therefore respectfully ask that this court enter an order of disgorgement
3 and no civil penalties based on Mr. Rossi's inability to pay as well as the egregious misstatements and
4 lack of facts as well as lack of burden of proof of statements by the Commission and the judge in the
5 Initial Decision.
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19 Dated March 07, 2020

Respectfully Submitted,

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22 By: Matthew Rossi
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2
3 **PROOF OF SERVICE**
4 **STATE OF CONNECTICUT**

5 I certify that I am over the age of 18 and not a party to the within action; my home address is: [REDACTED]
6 [REDACTED], Fairfield CT [REDACTED]

7 I certify that on 7th day of March 2020 service of copy of the above document in this matter on all
8 counsel and parties of record at their last known address via first class or overnight mail by
9 depositing the document at Postal Service with overnight delivery postage fully paid :

10 **Secretary of State**
11 **Securities & Exchange Commission**
12 **100 F. St. N.E.**
13 **Washington DC 20549**

14 **BY MAIL:** I am "readily familiar" with the firm's practice of collection and processing
15 correspondence for mailing. Under that practice it would deposited with U.S. Postal Service
16 on that same day with postage thereon fully prepaid in Fairfield CT in the
17 ordinary course of business. I am aware that on motion of party served, service is presumed
18 invalid if postal cancellation date or postage meter date is more than 1 day after date of
19 deposit for mailing in affidavit.

20 **BY OVERNIGHT DELIVERY:** I served such envelope or package to be delivered on
21 the same day to an authorized courier or driver authorized by the express service carrier to
22 receive documents, in an envelope or package designated by the express service carrier.

23 I declare under penalty of perjury under the laws of the State of Connecticut that the above is true
24 and correct.

25 Executed on **March 07, 2020** at Fairfield, Connecticut.

26 **Samantha Rossi**

27 *Samantha Rossi*
28