

**UNITED STATES OF AMERICA
BEFORE THE SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940
Release No. 5680 February 5,2021**

**ADMINISTRATIVE PROCEEDING
File No. 3-20220**

In the Matter of

**ROSEDALE ASSET
MANAGEMENT, LLC f/k/a
PRINCETON ADVISORY
WEALTH MANAGEMENT,
LLC**

Respondent.

**ROSEDALE'S ANSWER TO ORDER
INSTITUTING CEASE-AND-DESIST
PROCEEDINGS AND NOTICE OF
HEARING**

Respondent Rosedale Asset Management, LLC formerly known as Princeton Advisory Wealth Management, LLC ("Rosedale"), by and through its undersigned counsel, hereby submits the following Answer and Affirmative Defenses to the Order Instituting Cease-And-Desist Proceedings Pursuant to Section 203(k) of the Investment Advisors Act of 1940, Making Findings, Imposing Cease-and-Desist Order, and Notice of Hearing against Rosedale:

Respondent

1. **Rosedale Asset Management, LLC f/k/a Princeton Advisory Wealth Management, LLC (collectively "PWM")** is a limited liability company organized in Pennsylvania with its principal place of business in Hamilton, New Jersey. From January 2012 through February 2018, PWM was a Commission-registered investment adviser. In December 2011, PWM was founded as Princeton-Blazer Advisors, LLC ("PBA"), and operated under that name until October 2013. From October 2013 to November 2017, PWM's legal and primary - operational name was Princeton Advisory Wealth Management, LLC. From at least March 2015 through October 23, 2017, Munish Sood owned at least 95% of PWM, and served as its Chief Executive Officer ("CEO"), Chief Investment Officer ("CIO"), and control person. In October 2017, PWM legally changed its name to Rosedale Asset Management, LLC and Sood divested his direct ownership.

ANSWER: Admitted.

Other Relevant Person

2. **Munish Sood**, age 48, resides in Robbinsville, New Jersey. From January 2012 through February 2018, Sood was also associated with PWM. On August 27, 2018, in *United States v. Munish Sood*, No. 1:18-cr-00620-KMW (S.D.N.Y.), Sood pleaded guilty to criminal counts of: (a) Conspiracy to Commit Bribery, Honest Services Fraud, and Travel Act Offenses; (b) Payments of Bribes to an Agent of a Federally Funded Organization; and (c) Wire Fraud Conspiracy. In September 2019, the United States District Court for the Southern District of New York ordered Sood to pay a criminal fine of \$25,000 for these offenses. On October 31, 2019, the Court ordered Sood to pay restitution of \$28,261 to one NCAA Division I university that was the victim of the Wire Fraud Conspiracy, and his liability is joint and several with certain criminal defendants in *United States v. James Gatto, et al.*, 1:17-cr-686-LAK (S.D.N.Y) and *United States v. Thomas Gassnola*, 1:18-cr-252-LAK-1 (S.D.N.Y.). On December 21, 2021, the Commission instituted administrative proceedings against Sood pursuant to Section 15(b)(6) of the Exchange Act and Section 203(1) of the Advisers Act based on his criminal conviction.

ANSWER: Admitted. By way of further answer, at Mr. Sood's sentencing hearing the Judge noted the extensive cooperation provided by Mr. Sood in connection with the trials of others involved in the alleged conduct. As a result, Mr. Sood's sentence did not include custody, supervised release, or probation and his sentence was limited to a modest financial penalty at the low end of the sentencing guidelines. Further, Mr. Sood's restitution was joint and several with four other persons and no restitution was ordered as to any client of Mr. Sood's.

3. In early 2016, Sood agreed to a business arrangement with an individual who worked at a well-known sports agency ("Agent1"), whereby Sood would pay Agent1 in exchange for (a) recommending that certain basketball players retain PWM for investment advisory services after they made money from playing professional basketball, and (b) introducing Sood to others who could make similar recommendations to retain PWM. Between February 2016 and June 2016, Sood made payments to Agent1 of approximately \$17,500. In return, Agent1 referred two amateur basketball players (now NBA players) to PWM through Sood. Both players eventually signed advisory agreements with PWM.

ANSWER: Admitted.

4. In April 2016, Agent1 introduced Sood to a sports agent ("Agent2") who worked at the same company as Agent1. Sood agreed to pay Agent2 in return for Agent2 referring prospective professional basketball players to PWM for investment advisory services. Between May 2016 and July 2017, Sood made eight payments totaling \$24,500 to Agent2. In return, Agent2 referred several amateur basketball players (now NBA players) to PWM. Three of those players eventually signed advisory agreements with PWM.

ANSWER: Admitted.

5. In 2017, Sood invested \$22,500 in a new business run by Agent1. Agent1 intended for his business to make payments to individuals who could influence amateur athletes to retain its services when they became professionals. Sood understood that if Agent1's business provided money to individuals with influence over basketball players prior to the NBA draft, the players might retain the services of PWM when they became professional basketball players.

ANSWER: Admitted.

6. Throughout 2017, Agent1's business made payments to multiple individuals in the hopes of cultivating clients who would retain its-and PWM's----- services in the future. For example, in or around June 2017, Agent1's business made two payments totaling \$20,000 to an assistant coach at an NCAA Division I school, as well as a \$2,000 payment to the "handler" of a basketball player at that school. In addition, in or around July 2017, Agent1's business paid \$4,100 to an assistant coach at another NCAA Division I school.

ANSWER: Admitted.

7. In total, from February 2016 to September 2017, PWM (through Sood)--directly and indirectly-paid more than \$96,000 to influence prospective clients to retain PWM.

ANSWER: Admitted.

8. PWM never disclosed the payments to the prospective PWM clients. Additionally, PWM never entered into any written agreements concerning the cash solicitations, and PWM's prospective clients were not provided with a written disclosure document that identified the solicitor, the investment adviser, the nature of their relationship, and the terms of the compensation arrangement..

ANSWER: Admitted.

Violations

9. As a result of the conduct described above, PWM violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit investment advisers from directly or indirectly employing any device, scheme, or artifice to defraud any client or prospective client, or engaging in any transaction, practice, or course of business which operates as a fraud or deceit on any client or prospective client.

ANSWER: Admitted.

10. As a result of the conduct described above, PWM violated Section 206(4) of the Advisers Act and Rule 206(4)-3 thereunder, which makes unlawful the payment, directly or indirectly, of a cash fee by an investment adviser required to be registered pursuant to Section 203 of the Advisers Act to a solicitor with respect to solicitation activities, unless the disclosure and other requirements of the Rule are met.

ANSWER: Admitted.

AFFIRMATIVE DEFENSES

1. The claims alleged in the Notice are barred to the extent they seek to impose relief against Respondent for acts or omissions of third parties.
2. No investor suffered any harm as a result of the alleged conduct.
3. The Claimant has not alleged any basis to be entitled to the relief sought.
4. Respondent hereby gives notice that it will rely upon such other and further defenses as may become apparent during the course of this proceeding.

Dated: February 24, 2021

Respectfully submitted,

/s/ Jay A. Dubow

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that he served the foregoing Answer to the U.S. Securities and Exchange Commission's Order Instituting Administrative Proceeding upon counsel by causing a copy of the same to be served by Electronic Mail on the 24th day of February, 2021, addressed as follows:

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February 24, 2021

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