

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. No. 3-21974

In the Matter of

DAVID H. GOLDMAN,

Respondent.

RESPONDENT'S ANSWER TO THE ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION 15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, AND NOTICE OF HEARING

David H. Goldman ("Respondent"), acting *in pro per*, hereby responds and answers the allegations set forth in the Order Instituting Administrative Proceedings ("OIP") as follows:

Respondent specifically denies that the Securities and Exchange Commission (the "Commission") is entitled to the relief sought in this proceeding or that the requested relief should, in light of all the facts and circumstances, be issued here. He admits only those allegations set forth below and hereby denies the remainder.

Respondent admits that the Commission has authority to institute proceedings under Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act").

Respondent admits that, on April 11, 2024, the United States District Court for the Central District of California entered a final consent judgment against Respondent in the civil action entitled Securities and Exchange Commission v. Church-Koegel, et al., Case Number 2:20-cv-08480-FMO-JC,. That Judgment permanently enjoined Respondent from future violations of Sections 5(a) & 5(c) of the Securities Act and Section 15(a)(1) of the Exchange Act. Respondent agreed to the Consent Judgment without admitting or denying any of the Commission's allegations, except as to jurisdiction. The Consent Judgment does not include any findings of fraud or willful misconduct nor does it constitute an admission of liability.

Respondent admits that he was previously employed by Woodbridge Group of Companies, LLC, d/b/a Woodbridge Wealth ("Woodbridge") as an in-house salesperson from approximately June 2012

to January 2018. Respondent admits that he was not registered with the Commission or associated with a Commission-registered broker-dealer.

Respondent admits that he was compensated by Woodbridge for his work. However, his compensation was structured as a predetermined salary with performance incentives, rather than transaction-based compensation as alleged by the Commission. Woodbridge compensated Respondent under an internally structured, annual “tiered” salary system, which provided performance-based incentives. If company-defined benchmarks were met on an annual basis, Respondent could advance to a higher tier the following year. Unlike external brokers, who had discretion over their commissions, Respondent had no control over his compensation or transaction terms. Despite the existence of DG Marketing, Inc., Respondent’s compensation was entirely determined by Woodbridge, and he had no ability to negotiate his own terms—an essential characteristic of an independent broker. As such, the structure of Respondent’s compensation does not establish that he acted as an independent broker or engaged in unregistered brokerage activity.

Respondent admits that he was employed by Woodbridge in an internal sales role and acted in accordance with the guidance and compliance framework provided by his employer. Respondent did not, however, independently evaluate the legality of Woodbridge’s securities offerings. Respondent did repeatedly receive assurances from both internal and external legal counsel that Woodbridge’s offerings were legally structured. When external sales agents requested legal opinion letters, Respondent relayed those requests to Woodbridge’s in-house counsel, who then provided the opinion letters directly to the requesting sales agents via email, with Respondent copied on the correspondence. Respondent therefore always believed that Woodbridge’s offerings complied with applicable securities laws.

Respondent admits that Woodbridge raised investor funds during the relevant period. However, Respondent was not involved in company-wide financial management and did not have access to or control over investor funds handled by the company. Respondent was never aware of or participated in any fraudulent activities at Woodbridge.

Respondent admits that violations of Sections 5(a), 5(c), and 15(a)(1) are strict liability offenses. As such, the Consent Judgment does not establish that he acted with any intent to defraud or with any knowledge that his conduct violated securities laws. At all times, Respondent acted in reliance on the legal advice and the assurances of his employer that his activities were lawful.

Respondent admits that the allegations in the OIP are based on the Commission’s prior complaint. However, Respondent notes that the Commission did not determine that Woodbridge’s offerings constituted securities until after 2017. This timing issue is relevant in assessing whether additional remedial sanctions are warranted and further supports the need for full adjudication before an Administrative Law Judge (“ALJ”).

Respondent requests that the ALJ limit this proceeding to the allegations contained in the OIP and disregard new allegations, sanctions, or legal theories introduced outside of the OIP. Respondent requests that the Commission be required to establish that any proposed sanctions are warranted and in the "public interest.

Respondent requests that the ALJ reject any attempt to introduce an associational bar, fraud-based allegations, or other sanctions consistent with SEC Rule of Practice 200(a)(2) (17 C.F.R. § 201.200(a)(2)). Any proposed sanctions must be based on the allegations in the OIP and justified under the public interest standard. The violations alleged in the OIP pertain only to the strict liability provisions of Sections 5(a) & 5(c) of the Securities Act and Section 15(a)(1) of the Exchange Act—none of which require any scienter. Any attempt to now introduce allegations of intent, recklessness, or fraud constitutes an improper and prejudicial expansion of this proceeding beyond its original scope and should be disallowed. Administrative proceedings should be resolved on their merits rather than imposing sanctions as a procedural formality. See *In re Robert L. Tucker*, Exchange Act Release No. 74471 (Mar. 11, 2015) (declining to impose default where a respondent acted in good faith to correct a procedural oversight). Respondent reserves all rights to object to any improper expansion of this proceeding, including through a Motion in Limine, if necessary.

Respondent respectfully submits this Answer and requests that these proceedings be conducted in accordance with the SEC's Rules of Practice and principles of fundamental fairness.

Respectfully submitted,



David H. Goldman,
Pro per Respondent

Dated: 2/14/2025