UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9800 / June 3, 2015

SECURITIES EXCHANGE ACT OF 1934
Release No. 75099 / June 3, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4101 / June 3, 2015

INVESTMENT COMPANY ACT OF 1940
Release No. 31658 / June 3, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16572

In the Matter of **TODD M. SCHOENBERGER,** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTION 9(b) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Section 9(b) of the Investment Company Act of 1940 ("Investment Company Act") against Todd M. Schoenberger ("Schoenberger" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has 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 him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Administrative and Cease-And-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-And-Desist Order ("Order"), as set forth below.

III.

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

Summary

1. Between January 2013 and July 2013, Schoenberger used misrepresentations and omissions of material fact to solicit at least a dozen investors to invest money in short-term promissory notes issued by LandColt Capital LP ("LandColt"), an unregistered investment adviser controlled by Schoenberger. Schoenberger told prospective investors that the proceeds of the promissory notes ("LandColt notes") would be used for LandColt's working capital, and further claimed that LandColt would repay the LandColt notes from management fees that LandColt would earn from managing a private fund that Schoenberger would shortly launch and call the LandColt Onshore Fund, LP ("Onshore Fund" or "Fund"). Schoenberger further told investors that a prominent investment bank (hereafter, "Investment Bank A"), as well as other accredited investors, had made firm commitments to invest as much as $65 million in the Onshore Fund and that, as a result, LandColt's management fees would be substantial.

2. Based on Schoenberger's claims, four individuals invested a total of $130,000 in four LandColt notes that provided between 3% and 20% simple interest. Two of the LandColt notes also gave investors 0.5% of the management fee that LandColt expected to earn from managing the Onshore Fund.

3. Schoenberger's claims were false. There were never firm commitments by an investment bank or any accredited investors to invest in the Onshore Fund. Moreover, Schoenberger diverted more than half of investor funds he received—at least $67,000—for his own personal use, including for use as a down payment on the construction of a new home and to pay living expenses. The Onshore Fund never launched and no investor received the returns promised by Schoenberger.

Respondent

4. Schoenberger owned LandColt through ownership of LandColt's only partner, LandColt Capital GP, LLC. He is 43 years old and a resident of Lewes, Delaware. Since at least 2010, Schoenberger has been a frequent investment and stock market guest commentator on national cable television business news programs. He also served as an occasional business news columnist for a national newspaper and national news website. In soliciting investors, Schoenberger touted his appearances on cable news programs to bolster his credibility with investors, create around himself an aura of success, and entice investments in his scheme.

Other Relevant Entities

5. LandColt is a Delaware limited partnership based in Lewes, Delaware. Created by Schoenberger in February 2013, it never had any operations and its only assets were the investor funds obtained by the fraud. LandColt was cancelled as a Delaware entity in March 2015.

6. The Onshore Fund is also a Delaware limited partnership created by Schoenberger in February 2013. It never had never had any assets or operations and was cancelled as a Delaware entity in March 2015.

Background

7. In late 2012, Schoenberger began efforts to form an unregistered private fund. At the time, he was doing business development work for a third party investment adviser (hereafter, "Adviser A") by appearing as a market commentator on behalf of Adviser A on various cable television business shows. He was also allowing Adviser A to use for its clients investment signals generated by what Schoenberger viewed as his own proprietary investment strategy. This strategy combined a few technical indicators with Schoenberger's intuition in order to allocate investor assets across various mutual funds in three different commodity sectors (hereafter, "Schoenberger's strategy"). Schoenberger intended to use this same strategy as the basis for the private fund he was seeking to launch.

8. Schoenberger solicited prospective investors for his anticipated fund through contacts he had developed from his various media appearances. One of these contacts was a commodities broker (hereafter, "Broker"), associated with Investment Bank A. In October 2012, Schoenberger gave Broker a marketing pitch book for his proposed fund, which he indicated would be launched under Adviser A's name. The marketing pitch book gave information about Schoenberger's strategy, explained how it would be used for the proposed fund, and included charts of returns that were presented as actual returns of clients using Schoenberger's strategy. Schoenberger discussed with Broker using Investment Bank A as the fund's prime broker once the fund launched, if Investment Bank A introduced its clients to the fund.

Soliciting Investment Bank A

9. In November 2012, Schoenberger parted ways with Adviser A and decided that he would launch his new fund as the Onshore Fund. He also decided that he would create an adviser for the Onshore Fund, which he would call LandColt. He continued to solicit Broker for the opportunity to have the Onshore Fund offered to Investment Bank A's clients. He also solicited Broker for an investment by Investment Bank A itself in the Fund with its own proprietary money.

10. As part of efforts to solicit Investment Bank A, Schoenberger periodically emailed Broker with claims that his anticipated fund was close to launch and was obtaining commitments of capital for its launch. For instance, in a January 3, 2013 email to Broker, Schoenberger represented that the Onshore Fund would launch that quarter with at least $25 million in assets under management. Later, he sent a March 6, 2013 email to Broker, stating that LandColt had obtained $65 million in commitments on behalf of the Onshore Fund, which he said was now scheduled to launch on May 1, 2013. Schoenberger's emails to Broker typically included updates to what Schoenberger had originally represented were the actual returns of clients using Schoenberger's strategy.

11. In fact, Schoenberger had no commitments of any investments for the Onshore Fund and was unsure when the Onshore Fund would launch. The investment returns Schoenberger presented to Broker were hypothetical rather than actual. Schoenberger calculated the returns himself with a hand calculator, and based them on what a hypothetical client would have earned had he or she traded based on investment signals from Schoenberger's strategy. Once Schoenberger parted ways with Adviser A, he had no basis to claim that any actual investors were using signals from his strategy to earn the returns he claimed.

12. Investment Bank A never invested in the Onshore Fund and never made the Onshore Fund available to its clients.

LandColt Notes Offering

13. In December 2012, while Schoenberger was soliciting Broker, Schoenberger recruited an individual whom he also knew through a media contact to help him obtain start-up working capital for LandColt. Schoenberger told this individual (hereafter, "Finder") that LandColt would be the manager of the Onshore Fund once the Onshore Fund launched in 2013. To raise money for LandColt, Schoenberger asked Finder to help him find investors for a $5 million offering of equity interests in LandColt. Schoenberger initially described the offering as consisting of ten "equity interests" of $500,000 each. In exchange for purchasing an equity interest, an investor would receive 5% of the management fee that LandColt anticipated earning from the Onshore Fund for twenty-four months. After twenty-four months, the investor would receive a return of his or her full investment, but would continue to receive 2.5% of the management fee for the life of the Onshore Fund.

14. Schoenberger told Finder that Investment Bank A had made a firm commitment to invest $40 million in the Onshore Fund, and that various accredited investors had also made firm

commitments to invest an additional $25 million in the Fund. Schoenberger further told Finder he needed to raise capital to pay LandColt's start-up costs, as well as costs associated with launching the Onshore Fund. Schoenberger warned Finder that he risked losing the firm commitments if he did not launch the Fund soon.

15. Schoenberger provided Finder with marketing materials for the Onshore Fund, dated February 2013 (the "February 2013 materials"), as well as numerous links to his appearances on various cable television programs. The February 2013 materials included a representation that Schoenberger held a B.A. degree in economics from the University of Maryland, and noted that he had previously worked for a broker-dealer registered with the Commission ("Broker-Dealer."). In truth, neither Investment Bank A nor other investors had made commitments to invest in the Onshore Fund, and Schoenberger never obtained a degree from the University of Maryland. The February 2013 materials also did not disclose that Schoenberger had been terminated from the Broker-Dealer for misuse of company assets. Finder believed Schoenberger's claims about LandColt and the Onshore Fund because Schoenberger appeared credible and reputable within the investment community based on his appearances on cable television business shows.

16. Schoenberger promised to pay Finder 5% of LandColt's management fee for each $500,000 investment in LandColt until the investment was fully repaid. Thereafter, he promised Finder 2% of LandColt's management fee for the life of the Onshore Fund.

17. In early 2013, Finder began soliciting for LandColt investments among persons Finder knew. With Schoenberger's knowledge and approval, Finder repeated to prospective investors Schoenberger's claims that Schoenberger had obtained firm commitments of investments in the Onshore Fund. With Schoenberger's knowledge and approval, Finder touted the safety of investing in LandColt, telling prospective investors that LandColt was certain to earn enough in management fees to pay a return to investors, given the firm commitments of investments that Schoenberger had obtained for the Onshore Fund.

18. Finder also arranged for prospective investors to communicate directly with Schoenberger, who made his own misrepresentations about LandColt. During one call with a prospective investor, who later invested, Schoenberger falsely touted that an institutional investor had made a firm commitment to invest $40 million in the Onshore Fund and that other accredited investors had made additional firm commitments to invest $25 million in the Fund.

19. In an email with a different prospective investor, Schoenberger identified Investment Bank A as having made a commitment to invest in the Onshore Fund, and again claimed that other accredited investors had committed $25 million for the Fund. Schoenberger also falsely claimed that Investment Bank A had conducted a "very vigorous" background check on him, and was committed to investing in the Onshore Fund for a minimum of three years.

20. Schoenberger made additional misrepresentations to Finder and prospective investors. For instance, Schoenberger misrepresented to Finder that another investment bank (hereafter, "Investment Bank B") was strongly considering investing $40 million in the Onshore Fund, if LandColt could raise enough capital to hire a particular person as its chief operating

officer. Schoenberger also misrepresented to Finder that a private equity adviser (hereafter, "Adviser B") had made a commitment to invest $5 million in LandColt. In fact, Schoenberger knew that Adviser B had made no commitment to invest in LandColt, and that Investment Bank B was not considering a $40 million investment in the Fund. Schoenberger also distributed to prospective investors marketing materials for the Onshore Fund that were similar to the February 2013 materials he had given to Broker which falsely claimed Schoenberger had a degree from the University of Maryland and failed to disclose his termination for cause.

21. As the offering progressed, Schoenberger falsely told Finder that the terms of LandColt's offering had changed because LandColt did not need to raise as much money, in light of Adviser B's commitment. Schoenberger told Finder that the the offering was reduced from $5 million to $1 million and there was no longer a minimum investment amount.

The Investors

22. In March 2013, Schoenberger obtained investments in LandColt from three investors, Investor A, Investor B, and Investor C. In June 2013, he obtained an investment in LandColt from Investor D. Investor A, Investor C, and Investor D were introduced to LandColt directly by Finder. Investor B was introduced to LandColt by Investor A.

Investor A and Investor B

23. Investor A, 58 years old, is a manager at a textile mill. Investor B, 38 years old, works for the same textile mill. Schoenber falsely represented to Investor A directly or through Finder that LandColt had a number of investors ready to invest in the Onshore Fund, including Investment Bank A which had made a $40 million commitment to the Onshore Fund. Schoenberger also represented to Investor A that he had obtained a $5 million commitment to invest in LandColt from Adviser B. Investor A conveyed these falsehoods to Investor B without knowing they were misrepresentations. On March 27, 2013, Investor A and Investor B each invested $25,000 in LandColt notes, the proceeds of which were to be used for LandColt working capital. Each LandColt note promised 20% percent annual interest for a term of 45 days, and provided in perpetuity a payment of 0.5% of the management fee LandColt would earn from managing the Onshore Fund.

Investor C

24. Investor C, 75 years old, is a retired farmer. Schoenberger falsely represented to Investor C directly or through Finder that certain financial institutions were going to invest millions of dollars in the Onshore Fund, and that Adviser B had committed to invest in LandColt itself. On March 27, 2013, Investor C invested $65,000 in a LandColt note. Like the LandColt notes given to Investor A and Investor B, Investor C's note provided for 20% percent annual interest for a term of 45 days. Unlike the LandColt notes given to Investor A and Investor B, Investor C's LandColt note did not promise to pay Investor C a percentage of LandColt's management fee from the Onshore Fund.

Investor D

25. Between April 2013 and June 2013, Schoenberger continued offering LandColt notes. In April 2013, he met Investor D and solicited him to invest in LandColt. Schoenberger falsely told Investor D that he had commitments to the Onshore Fund of $65 million, including $40 million from Investment Bank A and $25 million from other investors. Schoenberger also falsely told Investor D that the Onshore Fund launched on May 1, 2013, and subsequently told him falsely that the Onshore Fund was operational and managing $65 million in assets. Based on these misrepresentations, on June 10, 2013, Investor D invested $15,000 in a LandColt note, which had a term of 90 days and provided 3% annual interest.

Misappropriation

26. Of the $130,000 Schoenberger received from the investors, Schoenberger misappropriated at least $67,000, which he used for, among other things, a down payment on the construction of a new home and to pay personal living expenses.

27. In February 2014, Investor D obtained a judgment against Schoenberger for the principal amount and interest due on his LandColt note. Schoenberger satisfied this judgment. In December 2014, Schoenberger reimbursed Investors A and B for the amounts each invested in LandColt notes. Schoenberger has not reimbursed Investor C for the amount he invested in a LandColt note.

Violations

28. As a result of the conduct described above, Respondent willfully violated Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities.

29. As a result of the conduct described above, Respondent willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder, which make it unlawful for any investment adviser to a pooled vehicle to make any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle.

30. As a result of the conduct described above, Respondent willfully violated Sections 5(a) and 5(c) of the Securities Act, which prohibit, absent an exemption, any person, directly or indirectly, from making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security for which a registration statement is not in effect or to offer to sell a security for which a registration statement has not been filed.

31. Respondent has submitted a sworn Statement of Financial Condition, dated January 28, 2015, and other evidence and has asserted his inability to pay a civil penalty.

IV.

In view of the foregoing, the Commission deems it appropriate, in the public interest, and for the protection of investors to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Section 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder.

B. Respondent be, and hereby is:

> barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization;
>
> barred from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)]; and
>
> prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter.

C. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondent shall, within 30 days of the entry of this Order, pay disgorgement, which represents profits gained as a result of the conduct described herein, of $65,000 and

prejudgment interest of $4,349.87 to the Securities and Exchange Commission. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds to investor C or transfer funds to the general fund of the United States Treasury, subject to Section 21F(g)(3) of the Exchange Act. If Respondent reimburses Investor C for the investor's investment, and for the lost time value of money invested, the amount(s) of such reimbursement(s), as verified by the Commission staff, will dollar for dollar offset the amount payable to the Commission pursuant to this order. If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent 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) Respondent 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 Todd M. Schoenberger as a Respondent 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 Stephen E. Donahue, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, 950 East Paces Ferry Road N.E., Suite 900, Atlanta, GA 30326-1232.

E. Based upon Respondent's sworn representations in his Statement of Financial Condition, dated January 28, 2015, and other documents submitted to the Commission, the Commission is not imposing a penalty against Respondent.

F. The Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; and (2) seek an order directing payment of the maximum civil penalty allowable under the law. No other issue shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate, or incomplete in any material respect. Respondent may not, by way of defense to any such petition: (1) contest the findings in this Order; (2) assert that payment of a penalty should not be ordered;

(3) contest the imposition of the maximum penalty allowable under the law; or (4) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

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

Brent J. Fields
Secretary