

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 75327 / June 29, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4133 / June 29, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16659

In the Matter of

JERRY GRUENBAUM, ESQ.

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934
AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Jerry Gruenbaum, Esq. (“Respondent” or “Gruenbaum”).

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 and the findings contained in Sections III.3 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. From April 2004 through September 2011, Gruenbaum was a registered representative of the broker-dealer First Union Securities, Inc., for which he was also the CEO and COO, located in Shelton, Connecticut and registered with the Commission. Before 2004, Gruenbaum was variously a registered representative of the broker-dealers Benchmark Securities Group, Inc., CIGNA Securities, Inc., Financial Services and Investment Corporation, and North American Investment Corp. From June 2005 through December 2011, Gruenbaum was also a co-owner and principal of the registered investment adviser Puritan Capital LLC, located in Westport, Connecticut. Gruenbaum is not currently associated with a registered broker-dealer or registered investment adviser.

2. Gruenbaum is 59 years of age and resides in Woodbridge, CT. As of April 22, 2015, Gruenbaum is incarcerated and serving a six-month imprisonment sentence.

3. On July 15, 2014, Gruenbaum pled guilty to two counts of Making and Subscribing a False Tax Return in violation of Title 26, United States Code, Section 7206(1) before the United States District Court for the District of Connecticut in United States v. Gruenbaum, No. 3:14-cr-153-VLB. On January 29, 2015, a judgment in the criminal case was entered against Gruenbaum. He was sentenced to six months imprisonment followed by one year supervised release. He was also ordered to cooperate with the Internal Revenue Service to pay all outstanding taxes, interest, and penalties.

4. The counts of the criminal information to which Gruenbaum pled guilty alleged that Gruenbaum did willfully make and subscribe false and fraudulent Form 1040 Personal Income Tax Returns for the fiscal years ending December 31, 2006 and December 31, 2007, which were verified by a written declaration that they were made under penalties of perjury and which Gruenbaum did not believe to be true and correct as to every material matter. The Form 1040s, which were filed with the Internal Revenue Service, were false and fraudulent as to a material matter in that they understated Gruenbaum's reportable income, whereas Gruenbaum knew that the actual reportable income was materially greater than that which was reported on the Form 1040s.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and Section 203(f) of the Advisers Act, that Respondent Gruenbaum be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, or transfer agent; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Gruenbaum be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

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.

By the Commission.

Brent J. Fields
Secretary