UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10218 / September 21, 2016

SECURITIES EXCHANGE ACT OF 1934
Release No. 78894 / September 21, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17559

In the Matter of
SHELDON ROSE and MKJJ
CONSULTING LLC,

Respondents.

ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTION 8A OF THE
SECURITIES ACT OF 1933 AND SECTIONS
15(b) AND 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, 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”), and Sections
15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Sheldon Rose
(“Rose”) and MKJJ Consulting LLC (“MKJJ” and, together with Rose, “Respondents”).

II.

In anticipation of the institution of these proceedings, each Respondent has submitted an
Offer of Settlement (the “Offers”) 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, Respondents admit the Commission’s
jurisdiction over them and the subject matter of these proceedings, and consent to the entry of this
Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the
Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934,
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 Respondents’ Offers, the Commission finds\(^1\) that:

**Summary**

These proceedings arise out of the control of 17 separate undisclosed “blank check” companies as defined in Rule 419 under the Securities Act, 17 C.F.R. § 230.419 (the “Blank Check Companies”), and the sale of 15 of those companies by Rose and MKJJ as Rose’s alter ego. Rose, either acting alone or in concert with other undisclosed control persons, followed a basic blueprint to create and sell the Blank Check Companies as public companies, and register offerings of their securities, without disclosing to the public or the Commission the true purpose or control of the companies. MKJJ was the alter ego of Rose with respect to the Blank Check Companies, including but not limited to entering into consulting agreements with sole officers and receiving proceeds from the sale of the Blank Check Companies.

**Respondents**

1. Rose was the sole officer of Premier Nursing Products Corp., a Florida corporation, and an undisclosed control person of the 16 other Blank Check Companies. Rose, 77 years old, is a resident of Sarasota, Florida. Rose participated in an offering of the stock of the Blank Check Companies, which were penny stocks.

2. MKJJ, organized in Florida in 2008, is a limited liability company whose sole manager and member is Rose. MKJJ participated in an offering of the stock of the Blank Check Companies, which were penny stocks.

**Other Relevant Entities**

3. The Blank Check Companies and certain of their features are as follows:

<table>
<thead>
<tr>
<th>Blank Check Company</th>
<th>Date of Incorporation</th>
<th>Date of Change of Control</th>
<th>Rose/MKJJ Share of Gross Sale Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premier Nursing Products Corp.</td>
<td>1/2007</td>
<td>10/2008</td>
<td>$199,995</td>
</tr>
<tr>
<td>We Sell For U Corp.</td>
<td>11/2007</td>
<td>12/2008</td>
<td>$108,252</td>
</tr>
<tr>
<td>Kids Germ Defense Corp.</td>
<td>1/2009</td>
<td>2/2010</td>
<td>$175,000</td>
</tr>
<tr>
<td>Obscene Jeans Corp.</td>
<td>9/2009</td>
<td>12/2010</td>
<td>$446,000</td>
</tr>
<tr>
<td>On The Move Systems Corp.</td>
<td>4/2010</td>
<td>6/2011</td>
<td>$325,000</td>
</tr>
<tr>
<td>Rainbow Coral Corp.</td>
<td>8/2010</td>
<td>10/2011</td>
<td>$212,500</td>
</tr>
<tr>
<td>First Titan Corp.</td>
<td>9/2010</td>
<td>9/2011</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

\(^1\) The findings herein are made pursuant to Respondents' Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.
## Background

4. Rose formed the Blank Check Companies ostensibly to pursue purported business plans but, in reality, Rose at all material times intended merely to sell the companies as public vehicles. That is, the Blank Check Companies had no operations and no value other than (i) their registration status with the Commission, and (ii) a particular capital structure – for example, a control bloc of shares and float of purportedly free-trading shares available for electronic trading by broker-dealers – all solely for purposes of merger or acquisition.

5. During the relevant time, all of the Blank Check Companies filed periodic reports with the Commission under Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

6. Each Blank Check Company began with the recruitment of a sole officer by Rose or his fellow control persons. The sole officers were recruited with the promise of either modest compensation (often $10,000 or less) in return for minimal time and involvement, or the false notion that the Blank Check Company would be taken public in furtherance of a business idea of the sole officer. In fact, the sole officers’ actions in connection with the Blank Check Companies were limited essentially to providing their personal information, signing documents, and opening a corporate bank account at the direction of – and with the initial deposit provided by – Rose or his fellow control persons.

7. Rose signed, in the name of MKJJ, purported consulting agreements (“Consulting Agreements”) with sole officers of certain Blank Check Companies. Per the Consulting Agreements, MKJJ purported to act as a mere consultant to the sole officer. Once the sole officer was on board, Rose or his fellow control persons incorporated the Blank Check Companies as Florida corporations.

8. Rose or his fellow control persons capitalized the Blank Check Companies through the sole officers. Rose or his fellow control persons either provided the checks or wires for the initial deposits into the Blank Check Companies’ bank accounts, or sent monies to an account belonging to the sole officer who was then instructed to deposit that exact amount in the
9. Rose or his fellow control persons prepared a series of corporate documents, including minutes of organizational meetings and other resolutions, falsely attributing actions to the sole officers. The sole officers signed such documents at the direction of Rose or his fellow control persons. These resolutions misstated that the sole officers had capitalized the companies and determined the consideration to be received for shares to be publicly issued was fair and adequate. Because the sole officers had not made that determination, no shares were ever validly issued for the Blank Check Companies.

10. Rose or his fellow control persons next enlisted attorneys, accountants, broker-dealers, transfer agents, a company that prepares filings for issuers with the Commission’s Edgar system, and other professionals to perform services for the Blank Check Companies. Rose or his fellow control persons controlled all communications with these gatekeepers.

11. Rose or his fellow control persons directed the sole officers to sign – and the sole officers did sign – a variety of other false documents in furtherance of the manufacture of the Blank Check Companies, including management representation letters to auditors, Commission filings, directives to transfer agents, and securities purchase agreements.

12. Rose or his fellow control persons drafted the financial statements and provided supporting evidence to accountants for the Blank Check Companies’ filings with the Commission. The communications with accountants included management representation letters signed by the sole officers that misrepresented, among other things, the companies’ disclosure controls and procedures and internal accounting controls.

13. After enlisting the sole officers and gatekeepers, Rose or his fellow control persons prepared Form S-1 registration statements (the “Forms S-1”) seeking to register a public offering of the common stock of each of the Blank Check Companies. The Forms S-1 portrayed the companies as development-stage entities with the sole officers at the helm of active business plans. The Forms S-1 described elaborate business plans full of product descriptions, competitor analysis, and representations the sole officers worked up to 25 hours per week for the Blank Check Companies and were involved in the day-to-day operations.

14. To the contrary, the sole officers took virtually no action toward the purported business plans for or on behalf of the Blank Check Companies. Most of the sole officers spent no more than one hour in any given week with respect to the companies.

15. The Forms S-1 stated that the Blank Check Companies had “no plans to change [their] business activities or to combine with another business.” Rose or his fellow control persons drafted and revised the responses to the Commission staff’s comments to the Forms S-1 and misrepresented that, among other things, some of the Blank Check Companies were not “blank check” companies under Rule 419 of the Securities Act.

16. The Forms S-1 also failed to disclose the identity or involvement of Rose or his
fellow control persons other than the Form S-1 of Premier Nursing Products Corp. for which Rose purportedly acted as sole officer (but for which he took no action toward the purported business plan). In fact, the Forms S-1 contained misrepresentations that the sole officers (i) were the only “parent” or “promoter” of the Blank Check Companies; (ii) solely capitalized the companies; (iii) made all management decisions; and (iv) would “continue to control” the companies after the offering.

17. After the Forms S-1 became effective, Rose or his fellow control persons set out to amass sufficient shareholders to induce the Financial Industry Regulatory Authority (“FINRA”) to clear the listing of the securities of the Blank Check Companies. Despite the Forms S-1 representing the sole officers would market and sell the Blank Check Companies’ shares, the vast majority of the sole officers did not know or solicit a single shareholder. Rather, Rose or his fellow control persons supplied virtually all of the Blank Check Companies’ shareholders.

18. Specifically, Rose or his fellow control persons solicited friends and family to invest. Rose or his fellow control persons failed to inform the friends and family, however, that the Blank Check Companies were – and would continue to be – undisclosed “blank check” companies in violation of the federal securities laws.

19. Rose or his fellow control persons instructed friends and family to sign a two-page subscription agreement (into which the false and misleading Forms S-1 were incorporated) and a blank stock power. Rose or his fellow control persons used the monies received solely for professional fees in furtherance of the manufacture of the Blank Check Company.

20. Rose or his fellow control persons kept the Blank Check Companies current in their periodic filings with the Commission by drafting and filing Forms 10-K and Forms 10-Q. Like the Forms S-1, these periodic reports misrepresented the business purpose of the Blank Check Companies and the involvement of the sole officers. The periodic reports contained additional misrepresentations with respect to the Blank Check Companies’ disclosure controls and procedures and internal controls, which had not been devised, maintained, or evaluated by the sole officers.

21. The majority of the sole officers never received, reviewed, or signed (either manually or electronically) any periodic report or exhibit thereto. Instead, Rose or his fellow control persons electronically forged the certifications they filed as exhibits to the periodic reports. The certifications included a number of statements attributed to the sole officers, including (i) they had reviewed the periodic reports; (ii) the reports did not contain any material misstatements or omissions; (iii) they had designed and evaluated disclosure controls and procedures and internal controls over financial reporting; and (iv) they had disclosed any fraud involving persons having a significant role in such internal controls. Rose knew the vast majority of the sole officers never took any of these purportedly certified actions.

22. Rose or his fellow control persons added features to the Blank Check Companies to make them more attractive public vehicles. For example, Rose or his fellow
control persons provided information to broker-dealers to be included in Form 211 applications filed with FINRA. This information was largely false because, among other things, it failed to disclose the true business purpose and control persons of the Blank Check Companies.

23. In reliance on this information, FINRA cleared the Form 211 applications. This clearance was critical to the fraudulent scheme. For example, according to the Consulting Agreements, the sole officers would surrender all of the shares in their name to entities controlled by Rose (MKJJ) or his fellow control persons within a few days of FINRA’s clearance of the applications.

24. Rose or his fellow control persons also made false submissions to the Depository Trust Company (“DTC”), including attaining DTC eligibility for shares of the Blank Check Companies by obtaining legal opinions. The Control Persons knew that these legal opinions falsely claimed that shares of the Blank Check Companies were unrestricted.

25. Rose or his fellow control persons exclusively negotiated and consummated the sale of the Blank Check Companies through reverse mergers or other change-of-control transactions. These sales were premised on agreements with a series of false representations and warranties, including that: (i) the sole officers or friends-and-family shareholders were the sole owners with dispositive authority over the shares; (ii) the shares were duly authorized and validly issued; (iii) the Blank Check Companies had complied in all material respects with the federal securities laws; and (iv) the Blank Check Companies’ Commission filings did not contain material misrepresentations or omissions.

26. Rose or his fellow control persons exclusively directed the disbursement of the proceeds from the sale of the Blank Check Companies. Rose directed most of his shares of the sale proceeds to MKJJ. In total, Rose was involved in the sale of 15 of the Blank Check Companies, receiving the amounts set forth in Section III.B.3.

27. As a result of the conduct described above, Respondents willfully violated Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities.

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

29. As a result of the conduct described above, Respondents willfully violated Section 13(b)(5) of the Exchange Act, which prohibits a person from knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record or account described in Section 13(b)(2) of the Exchange Act.

30. As a result of the conduct described above, Respondents willfully violated Rule 13b2-1 under the Exchange Act, which prohibits a person from directly or indirectly falsifying or causing to be falsified any book, record, or account subject to Section 13(b)(2)(A) of the
As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the Blank Check Companies of Section 13(b)(2)(A) of the Exchange Act, which requires that an issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the Blank Check Companies of Section 13(b)(2)(B) of the Exchange Act, which requires that an issuer which is required to file reports pursuant to Section 15(d) of the Exchange Act devise and maintain a system of internal accounting controls.

As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the sole officers of the Blank Check Companies of Section 13(b)(5) of the Exchange Act, which prohibits a person from knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record or account described in Section 13(b)(2) of the Exchange Act.

As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the sole officers of the Blank Check Companies of Rule 13b2-1 under the Exchange Act, which prohibits a person from directly or indirectly falsifying or causing to be falsified any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act.

As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the sole officers of the Blank Check Companies of Rule 13b2-2 under the Exchange Act, which prohibits an officer or director of an issuer, directly or indirectly, from making or causing to be made a materially false or misleading statement, or omitting to state or causing another person to omit to state any material fact necessary in order to make statements made in light of the circumstances under which such statements were made not misleading, to an accountant in connection with the preparation or filing of any document or report required to be filed with the Commission.
37. As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the sole officers of the Blank Check Companies of Rule 15d-14 under the Exchange Act, which requires that the principal executive and principal financial officers of an issuer that files a report pursuant to Section 15(d) of the Exchange Act sign a certification that, among other things and based on their knowledge, the periodic report filed with the Commission does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

38. As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the Blank Check Companies and the sole officers of the Blank Check Companies of Rule 15d-15 under the Exchange Act, which requires an issuer that files reports pursuant to Section 15(d) of the Exchange Act to maintain disclosure controls and procedures or internal controls over financial reporting, and which also requires the management of an issuer that files reports pursuant to Section 15(d) of the Exchange Act to evaluate the effectiveness of the issuer’s disclosure controls and procedures and internal control over financial reporting.

IV.

Pursuant to this Order, Respondents agree that disgorgement and civil penalties, jointly and severally, are appropriate, and further agree to additional proceedings in this proceeding to determine the amount of such disgorgement and civil penalties, plus prejudgment interest if ordered, pursuant to Section 8A of the Securities Act and Sections 21B and 21C of the Exchange Act. In connection with such additional proceedings, Respondents agree: (a) they will be precluded from arguing that they did not violate the federal securities laws described in this Order; (b) they may not challenge the validity of this Order; (c) solely for the purposes of such additional proceedings, the allegations of this Order shall be accepted as and deemed true by the hearing officer; and (d) the hearing officer may determine the issues raised in the additional proceedings on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence.

V.

In view of the foregoing, the Commission deems it appropriate, in the public interest, to impose the sanctions agreed to in Respondents’ Offers, and to continue proceedings to determine the amount of disgorgement and civil penalties.

Accordingly, pursuant to Section 8A of the Securities Act and Sections 15(b) and 21C of the Exchange Act, it is hereby ORDERED that:

A. Respondents Rose and MKJJ cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Sections 10(b), 13(b)(2)(A), 13(b)(2)(B), 13(b)(5) and 15(d) of the Exchange Act and Rules 10b-5, 12b-11, 12b-
20, 13b2-1, 13b2-2, 15d-1, 15d-13, 15d-14 and 15d-15 promulgated thereunder, and Rule 302 of Regulation S-T.

B. Respondents Rose and MKJJ be, and hereby are 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.

C. Respondent Rose hereby is prohibited 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 or that is required to file reports pursuant to Section 15(d) of the Exchange Act.

D. Respondents shall pay disgorgement, prejudgment interest and civil penalties, in amounts to be determined by additional proceedings.

VI.

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

VII.

NOTICE TO RESPONDENTS:

On July 13, 2016, the Commission voted to amend certain of its Rules of Practice related to administrative proceedings. The amended rules will become effective on September 27, 2016 and shall apply to proceedings initiated on or after that date. Some of the amendments will apply to proceedings initiated before that date, depending on the circumstances, as detailed in Exchange Act Release No. 34-78319, Amendments to the Commission’s Rules of Practice, at 75-76 [81 FR 50212, at 50229-30 (July 29, 2016)]. Additionally, for proceedings instituted on or after July 13, 2016 but before September 27, 2016, the parties may elect to have the amended rules (except for the amendments to Rule 141, regarding service of orders instituting proceedings) apply to such proceedings if, within 14 days of service of the Order Instituting Proceedings (OIP), every party to the proceeding, including the Division of Enforcement, submits a request in writing to the Office of the Secretary of the Commission that the proceedings be conducted under the amended rules. Moreover, various other of the amended rules will apply in cases in which the initial prehearing conference pursuant to Rule 221 has not been held as of September 27, 2016 or where the proceedings have been stayed as of September 27, 2016 (except for proceedings stayed pursuant to Rule 161(c)(2)(i)), See Exchange Act Release No. 34-78319, Amendments to the Commission’s Rules of Practice, at 73-74, [81 FR 50212, at 50228-29].
IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section IV hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

This Order shall be served forthwith upon Respondents as provided for in the Commission’s Rules of Practice.

**Initial Decision of Hearing Officer**

IT IS ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice, in effect as of the date of this Order; unless one of the following conditions has been met:

a) If the parties have elected, pursuant to the procedures outlined in the above Notice, to have the amended Rules of Practice apply to these proceedings, then IT IS ORDERED that this matter will proceed on a 120-day timeline under amended Rule 360(a)(2) and the timing of the initial decision is determined by that Rule;

b) If the initial prehearing conference pursuant to Rule 221 has not been held as of September 27, 2016, then IT IS ORDERED that this matter will proceed on a 120-day timeline under amended Rule 360(a)(2) and the timing of the initial decision is determined by that Rule; or

c) If the proceedings have been stayed as of September 27, 2016 (except for proceedings stayed pursuant to Rule 161(c)(2)(i)), then IT IS ORDERED that this matter will proceed on a 120-day timeline under amended Rule 360(a)(2) and the timing of the initial decision is determined by that Rule.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rule making” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary

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