

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 78084 / June 15, 2016

INVESTMENT ADVISERS ACT OF 1940
Release No. 4425 / June 15, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17297

In the Matter of

JONATHAN E. ROSENBERG,

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 Jonathan E. Rosenberg (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, and 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:

RESPONDENT

1. Respondent, age 47, is a United States citizen residing in West Orange, NJ. Respondent has never been registered with the Commission in any capacity.

RESPONDENT'S CRIMINAL CONVICTION

2. On February 25, 2016, pursuant to a plea agreement, Respondent pled guilty in the United States District Court for the District of Maryland to an indictment charging him with one count for conspiracy to commit wire fraud in violation of 18 U.S.C. § 1349 in United States v. Jonathan E. Rosenberg, Crim. Case No. 1:13-CR-00460-JKB. He has not been sentenced.

3. The count of the indictment to which Respondent pled guilty alleges that from February 2007 through March 2010, Respondent, along with others, did knowingly devise and intend to devise a scheme and artifice to defraud investors and to obtain money and property from such investors in excess of \$145 million by means of materially false and fraudulent pretenses, representations, and promises, which were transmitted by means or instrumentalities of interstate commerce.

4. The indictment further alleged facts establishing that Respondent acted as an unregistered broker throughout the relevant period. Respondent, along with others, identified and solicited investors who sought to invest in securities collateralized by debt portfolios consisting of pooled or batched medical receivables created, managed and sold by International Portfolio, Inc. ("IPI"). Respondent and others then used loan proceeds to purchase IPI debt portfolios. Respondent and his business partner received compensation through undisclosed and disguised commissions that were approximately 5% of the price purportedly paid to buy each debt portfolio, although it was falsely represented to investors that they would not be paid until after investors had received the full return of their interest and principal.

5. The indictment further alleged facts establishing that Respondent also acted as an unregistered investment adviser during the relevant period. He received advisory fees for assisting investors in determining when they should sell certain IPI debt portfolios through IPI. Investors believed they were selling at a profit to third party purchasers, and typically re-invested a greater sum to buy a more expensive debt portfolio. Ultimately, all or virtually all of the funds obtained from new investments were used to pay existing interest or other obligations in an unsuccessful effort to keep the fraudulent scheme from unraveling.

IV.

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