

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10325 / March 23, 2017

SECURITIES EXCHANGE ACT OF 1934
Release No. 80301 / March 23, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17559

In the Matter of

SHELDON ROSE and MKJJ
CONSULTING LLC,

Respondents.

ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS

I.

On September 21, 2016, the Securities and Exchange Commission (“Commission”) instituted public administrative and cease-and-desist proceedings against Sheldon Rose (“Rose”) and MKJJ Consulting LLC (“MKJJ” and, together with Rose, “Respondents”), 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”). The Order instituting the administrative and cease-and-desist proceedings made findings, and imposed remedial sanctions and a cease-and-desist order against the Respondents. Remaining is the issue of the amount of disgorgement, prejudgment interest, and civil penalty, which this Order resolves.

II.

After institution of these proceedings, Respondents 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, Respondents admit the Commission’s jurisdiction over them and the subject matter of these proceedings, and consent to the entry of this Order Making Findings and Imposing Sanctions, as set forth below.

III.

On the basis of this Order and Respondents' Offers, the Commission finds¹ 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:

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

¹ The findings herein are made pursuant to Respondents' Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Blank Check Company	Date of Incorporation	Date of Change of Control	Rose/MKJJ Share of Gross Sale Proceeds
First Titan Corp.	9/2010	9/2011	\$200,000
Neutra Corp.	1/2011	11/2011	\$215,500
Aristocrat Group Corp.	7/2011	7/2012	\$170,000
First Social Networx Corp.	9/2011	2/2013	\$99,250
Global Group Enterprises Corp.	11/2011	4/2013	\$93,000
E-Waste Corp.	1/2012	4/2013	\$104,000
First Independence Corp.	2/2012	5/2013	\$105,000
Universal Technology Systems Corp.	1/2013	9/2013	\$111,000
Envoy Group Corp.	4/2013	4/2014	\$170,000
First Xeris Corp.	3/2013	N/A	N/A
Orion Global Corp.	4/2014	N/A	N/A
			TOTAL \$2,734,497

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 company's account.

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 Exchange Act.

31. 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.

32. 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.

33. 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.

34. As a result of the conduct described above, Respondents willfully aided and abetted and caused violations by the Blank Check Companies of Section 15(d) of the Exchange Act, Rules 12b-11, 12b-20, 15d-1, 15d-13 and 15d-14 thereunder and Rule 302 of Regulation S-T and violations by at least one sole officer of Rule 15d-14 under the Exchange Act, which require that an issuer which has filed a registration statement which has become effective pursuant to the Securities Act file periodic information, documents, and reports as required pursuant to Section 13 of the Exchange Act, including quarterly reports on Form 10-Q and annual reports on Form 10-K, and that such reports be signed, contain such material information as may be necessary to make the required statements in light of the circumstances under which they are made not misleading, and include certifications signed by the issuer's principal executive and principal financial officers.

35. 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.

36. 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.

39. Rose has entered into a written agreement to plead guilty to one count of conspiracy to commit securities fraud in violation of Title 15, United States Code, Sections 78j(b) and 78ff(a), and Title 17, Code of Federal Regulations, Section 240.10b-5, all in violation of Title 18, United States Code, Section 371, before the United States District Court for the Southern District of Florida, in United States v. Sheldon Rose, Case No. 16-20706-CR-Martinez (S.D. Fla).

IV.

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

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

V.

Respondents shall, within 14 days of entry of this Order, pay \$2,734,497 representing disgorgement, plus prejudgment interest of \$239,419.18, for a total of \$2,973,916.18, jointly and severally, to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. The Respondents' obligations to the Commission to pay disgorgement and prejudgment interest shall be deemed satisfied upon entry of an order of restitution or forfeiture against Rose in the District Court case of United States v. Sheldon Rose, Case No. 16-20706-CR-Martinez (S.D. Fla).

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents 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) Respondents 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 the Respondents 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 Glenn S. Gordon, Associate Director, Division of Enforcement, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Ave., Suite 1800, Miami, FL 33131.

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

By the Commission.

Brent J. Fields
Secretary