UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 82743 / February 21, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18375

In the Matter of
JONATHAN STRUM, ESQ.,
Respondent.

ORDER INSTITUTING ADMINISTRATIVE PROCEEDINGS PURSUANT TO RULE 102(e) OF THE COMMISSION’S RULES OF PRACTICE, 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 against Jonathan Strum (“Respondent” or “Strum”) pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice.\(^1\)

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 Section III, paragraph 2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to

\(^1\) Rule 102(e)(3)(i) provides, in relevant part, that:

The Commission, with due regard to the public interest and without preliminary hearing, may, by order, . . . suspend from appearing or practicing before it any attorney . . . who has been by name (A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.
Rule 102(e) of the Commission’s Rules of Practice, 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. Jonathan D. Strum, age 59, resides in Washington, D.C. and is an attorney admitted to practice in Washington, D.C. Strum has never held any securities licenses and is not registered with the Commission in any capacity.

2. On February 16, 2018, the Commission filed a complaint against Strum in SEC v. Strum (Civil Action No. 1:18-cv-00361-BAH), in the United States District Court for the District of Columbia. On February 20, 2018, the court entered an order permanently enjoining Strum, by consent, from future violations of Section 17(a) of the Securities Act of 1933, and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

3. The Commission’s complaint alleges, among other things, that between 2011 and 2014, Strum aided and abetted a scheme to prepare fourteen fraudulent shell companies (the “Issuers”) to issue shares to the public and then to sell the shell companies in reverse mergers or other changes in control. The complaint alleges that Strum, among other things, (a) assisted in drafting the Issuers’ Form S-1 registration statements and periodic reports, (b) assisted in drafting letters to the Commission responding to staff comments and questions regarding the Form S-1 registration statements, and (c) signed opinion letters sent to certain of the Issuers’ transfer agents to induce the transfer agents to issue unregistered shares to nominee shareholders. The complaint alleges that Strum knew or was reckless in not knowing that the registration statements and other documents that he assisted in preparing with regard to the Issuers contained materially false and misleading statements and omitted material facts concerning, among other things, the Issuers’ purported directors, officers, and business plans.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanction agreed to in Respondent Strum’s Offer.
Accordingly, it is hereby ORDERED pursuant to Rule 102(e)(3)(i) of the Commission’s Rules of Practice, effective immediately, that:

A. Strum is suspended from appearing or practicing before the Commission as an attorney.

By the Commission.

Brent J. Fields
Secretary