

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83460 / June 19, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18547

In the Matter of

Nicholas Rubbo,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
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”) against Nicholas Rubbo (“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 paragraph 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, 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. Beginning no later than January 2012 through present, Respondent offered and sold investments and stock of VIP Television, LLC, VIP TV, Inc., The Spongebuddy, LLC, and related entities (“collectively “VIP”), which were penny stocks, to individual investors while acting as an unregistered broker-dealer. Respondent, 48 years old, is a resident of Broward County, Florida.

2. On December 5, 2017, Respondent pled guilty to a one-count information charging conspiracy to commit offenses against the United States, namely mail fraud, securities fraud, and money laundering, in violation of 18 U.S.C. § 371, before the United States District Court for the District of Colorado, in United States v. Nicholas Rubbo, Crim. No. 17-CR -00417-RBJ.

3. As part of his guilty plea, Respondent stipulated that from 2012 through present, he acted as an unregistered sales agent for VIP, run by his siblings and co-conspirators, that did business in Broward County, and elsewhere, by participating in the offer and sale of VIP stock and related investment offerings. Specifically, Respondent admitted that he and his co-conspirators contacted investors and spoke with them via telephone or through in-person presentations to offer investments and shares of stock in VIP. Respondent signed stock certificates issuing VIP shares to investors, and sold 800,000 shares of VIP stock to an investor at a price of approximately \$0.75 per share. Respondent also signed checks issuing purported investment returns to investors. Respondent hid his and his co-conspirators’ criminal and disciplinary background from investors, and failed to tell investors that in 2013 and 2014, Respondent and his co-conspirators were the subjects of a civil investigation, and resulting consent order, by the State of Illinois in connection with the offering of securities related to VIP; in 2002, Respondent and his co-conspirators were found to have violated the antifraud and registration provisions of the federal securities law; and that his co-conspirators had criminal histories, including Respondent’s prior convictions for conspiracy to commit racketeering. Respondent financially benefitted from the investment scheme by receiving \$615,570 in undisclosed commissions and fees directly from VIP based on his fundraising activities. Respondent acted as a broker but has never been registered with the Commission in any capacity.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, that Respondent be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and,

Pursuant to Section 15(b)(6) of the Exchange Act Respondent 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