

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87137 / September 26, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19233

In the Matter of

JONATHAN E. SHOUCAIR,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934**

I.

On July 1, 2019, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings against Jonathan E. Shoucair (“Shoucair” or “Respondent”) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”).

II.

After institution of these proceedings, Respondent 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.D.2. below, and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

A. SUMMARY

1. This case concerns an unregistered and fraudulent offering of securities by Jersey Consulting LLC and its principal, convicted felon Marc Andrew Tager, effected through the use of paid and unregistered solicitors, including Respondent. From September 2014 through February 2018, Jersey and Tager, with the assistance of Respondent and the other solicitors,

raised at least \$8 million from over 100 investors via the unregistered offer and sale of Jersey securities referred to as “Royalty Interests.” Jersey paid its solicitors transaction-based compensation, ranging from 10%-35% of investment proceeds, which Jersey and the solicitors, including Respondent, failed to disclose to investors.

B. RESPONDENT

1. From at least 2014 to 2018, Shoucair solicited investors for Jersey Consulting LLC securities. Shoucair was previously associated with FINRA member firms but has not been so since December 1992. Shoucair, 66 years-old, currently resides in California.

2. On April 2, 1998, a final judgment was entered by consent against Shoucair permanently enjoining him from future violations of Sections 5(a), 5(c), and 17(a) of the Securities Act, Sections 10(b) and 15(a) of the Exchange Act, and Exchange Act Rule 10b-5. *SEC v. B.M.C. Enterprises, Inc., et al.*, 2:97cv4811 (C.D. Cal.).

3. On September 1, 2005, in connection with the same conduct underlying *SEC v. B.M.C. Enterprises, Inc.*, Shoucair pled guilty to, among other charges, conspiracy to commit wire fraud, mail fraud, and securities fraud and was sentenced to serve 63 months in federal prison and ordered to pay restitution in the amount of \$42,463,291. *U.S. v. Shoucair*, 3:01cr01415 (S.D. Cal.).

4. In February 2018, Shoucair and others were criminally indicted for their role with Jersey. *U.S. v. Tager, et al.*, 2:18cr97 (D. Utah). Shoucair pled guilty to conspiracy to commit wire and mail fraud and money laundering on September 27, 2018 and is awaiting sentencing.

C. OTHER RELEVANT ENTITIES AND INDIVIDUALS

1. **Jersey Consulting LLC (“Jersey”)** is a Nevada limited liability company organized on April 29, 2014, and which ostensibly engages in mining and/or ore processing activity. Jersey’s principal place of business is in West Jordan, Utah. Jersey is owned and controlled by Tager.

2. **Marc Andrew Tager**, 52 years-old, is the sole and managing member of Jersey and represents himself as Jersey’s Managing Director. On September 29, 2005, Tager, who pled guilty to conspiracy to commit mail fraud [18 U.S.C. § 371 (18 U.S.C. § 1341)] in connection with a scheme to illegally duplicate and sell Microsoft software, was sentenced to serve 24 months in federal prison and two years’ supervised release. Restitution to Microsoft was ordered in the amount of \$1,131,019.00 and, as of 2017, the vast majority of the ordered restitution was still unpaid. *U.S. v. Tager*, 3:04cr028-K (01) (N.D. Texas). On March 26, 2018, a judgment was entered by consent against Tager, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. *SEC v. Jersey Consulting LLC, et al.*, 2:18cv155 (D. Utah). Tager was criminally indicted in February 2018 for his role with Jersey. *U.S. v. Tager, et*

al., 2:18cr97 (D. Utah). Tager pled guilty to conspiracy to commit wire and mail fraud, money laundering, and felon in possession of a firearm on June 29, 2018. He is currently in federal custody awaiting sentencing.

D. ENTRY OF THE INJUNCTION

1. On February 20, 2018, the Commission filed a complaint in the United States District Court for District of Utah against Shoucair and others concerning the same conduct described below. *SEC v. Jersey Consulting LLC, et al.*, 2:18cv155 (D. Utah).

2. On December 21, 2018, a final judgment by default was entered against Shoucair, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act and Sections 10(b) and 15(a) of the Exchange Act and Rule 10b-5 thereunder.

3. The allegations in the Commission's Complaint covered the same conduct as the allegations contained herein. Shoucair failed to respond to the Commission's complaint and has not acknowledged any wrongdoing or offered any assurances against future violations of the securities laws.

E. SHOUCAIR ACTED AS AN UNREGISTERED BROKER

1. Jersey purports to be in the business of using a propriety "green" method of ore processing to produce gold, silver, platinum, and palladium, including through the use of nano-technology. Jersey claims that it has a mining claim from the BLM and leases land from the BLM.

2. Jersey and Tager hired third-party telephone solicitors, including Shoucair, to make the initial offer and solicit investments from individuals across the United States. Shoucair contacted prospective investors via telephone and solicited them to invest with Jersey.

3. In an effort to hide his prior criminal conviction and permanent injunction from violating the federal securities laws, Shoucair presented himself to investors and other solicitors as "Jason Vitolo," an individual that Shoucair had met while incarcerated. Tager was aware of Shoucair's real identity.

4. Shoucair coordinated the work of the solicitors for Jersey, including holding monthly conference calls, providing materials for solicitors to disseminate to prospective investors, providing information for the solicitors to give to inquiring investors, and arranging the payment of commissions.

5. During their phone conversations with prospective investors, Shoucair and other solicitors would provide information about Jersey's business and discussed the high returns on an investment with Jersey.

6. Potential investors were told by Shoucair and other solicitors that they could “double” their money in twelve months or less. Shoucair and other solicitors provided investors with written newsletters that reaffirmed investors “can double [their] money in 12 months or less.”

7. Shoucair and other solicitors assured potential investors that investments with Jersey were “no risk” or risk-free. Shoucair and other solicitors further told investors that there would be a lot of money to pay investors because Jersey had a lot of land with all of the minerals contained “in the dirt.”

8. Shoucair and other solicitors told potential investors that Jersey was able to extract precious metals from soil obtained from Jersey’s mineral rights on BLM land on the Utah-Arizona border. In fact, Jersey possessed no such mining claims.

9. After initiating contact with a prospective investor over the phone, Shoucair and other solicitors would send investors a Royalty Interest Purchase Agreement and a Royalty Interest Payment Agreement (“Royalty Interest Agreements”). Shoucair drafted the Royalty Interest Agreements and created the naming convention in an attempt to evade the federal securities laws.

10. When payment came due under the Royalty Interest Agreements, Jersey was unable to make the promised payment. Shoucair and other solicitors told investors they were being offered a 120-day extension agreement whereby they would be paid a “monthly extension fee.” Alternatively, Shoucair and other solicitors offered some investors significantly higher returns – up to five times their investment – to make additional investments with Jersey.

11. Jersey raised over \$8 million from more than one hundred of investors throughout the United States and Canada as a result of the solicitations by Shoucair and other solicitors.

12. Jersey never registered its Royalty Interest Agreement offerings with the Commission.

13. While Shoucair and other solicitors engaged in these solicitations, they were neither registered with the Commission as brokers or dealers nor associated with a broker or dealer registered with the Commission.

14. Using the investment funds it received through the sale of its securities, Jersey paid Shoucair transaction-based compensation ranging from 20% to 30% of the total investment proceeds. Shoucair arranged for these commissions to be paid to his wife, Christine Shoucair, so as to disguise the true nature of the payments.

15. Between September 2010 and January 2012, Shoucair induced unsuspecting investors to purchase at least \$650,000 of Royalty Interests in Jersey. Shoucair earned commissions of at least \$326,250 on these sales.

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 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, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) 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.

Vanessa A. Countryman
Secretary