

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

**HARBINGER CAPITAL PARTNERS LLC;
PHILIP A. FALCONE; and PETER A. JENSON,**

Defendants.

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: **12 Civ. 5028 (PAC)**
: **ECF Case**
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FINAL CONSENT JUDGMENT AS TO DEFENDANT PETER A. JENSON

WHEREAS, the Securities and Exchange Commission (“Commission”) filed a Complaint on June 27, 2012, in the civil action 12-CV-5028 (PAC) (the “Action”), alleging that Peter A. Jenson (“Jenson”) aided and abetted Philip A. Falcone’s (“Falcone”) and Harbinger Capital Partners LLC’s (“Harbinger”) violations of Section 10(b) of the Exchange Act of 1934 (“Exchange Act”), and Rule 10b-5 thereunder, and Sections 206(1), (2) and (4) of the Investment Advisers Act of 1940 (the “Advisers Act”), and Rule 206(4)-8 thereunder, as result of the misappropriation of \$113.2 million from a hedge fund for which Falcone and Harbinger served as investment advisers;

WHEREAS, Jenson has executed the Consent annexed hereto and incorporated herein for the purpose of settling the Action before the Court; and

WHEREAS, Jenson has entered a general appearance; consented to the entry of this Final Judgment; admitted the allegations of the Complaint as to personal and subject matter jurisdiction; admitted the facts set forth below and acknowledged that his conduct violated the

federal securities laws; and waived findings of fact and conclusions of law and any right to appeal from this Final Judgment in the Action; and

WHEREAS, Jenson admits to the following facts:

JENSON'S ADMISSIONS

1. On August 13, 2013, Falcone and Harbinger entered into a Final Consent Judgment to resolve the claims asserted against them in the Action pending in the United States District Court for the Southern District of New York. As part of the Consent Judgment, Falcone and Harbinger admitted, among other things, that on October 14, 2009, without seeking or obtaining investor consent, in connection with the purchase, offer or sale of a security, Falcone improperly borrowed \$113.2 million from the Harbinger Capital Partners Special Situations Fund, L.P. ("SSF") to pay his state and federal taxes.

2. Jenson, Harbinger's Chief Operating Officer, among other things, executed the loan agreement and other transaction documents on behalf of the SSF in connection with the loan.

3. The loan agreement provided that "[t]he Lender's counsel shall have provided advice to the Lender to the effect that the making of the Loan ... would not be inconsistent with the Borrower's fiduciary obligation to the Lender." Jenson, however, did not ensure that SSF as lender had separate counsel, and did not ensure that the loan was consistent with the Borrower's fiduciary obligation to the Lender.

4. Jenson also failed to ensure that Falcone paid an "above market" interest rate on the loan, failed to timely disclose the loan to investors, and failed to take actions to cause the SSF to accelerate Falcone's payment on the loan once investors in the SSF were permitted to begin redeeming their investments.

5. Jenson, with knowledge of Falcone's and Harbinger's violations in connection with the loan, substantially assisted these violations.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

I.

Jenson shall be, and hereby is, enjoined from acting as or being an associated person of any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization (each a "Regulated Entity"), as those terms are defined in Section 3 of the Securities Exchange Act, 15 U.S.C. § 78(c), and Section 202 of the Investment Advisers Act, 15 U.S.C. § 80b-2; provided, however, that Jenson shall have the right:

- (i) No earlier than two years after the date of this Order, to apply to the appropriate Self-Regulatory Organization (SRO) or, if there is none, the Commission for consent to associate with a Regulated Entity on such terms and conditions as the SRO or the Commission, as applicable, deems appropriate; and
- (ii) Thereafter, to apply to the appropriate SRO or, if there is none, the Commission for consent to modify or amend the terms and conditions of association with that Regulated Entity.

Any such application by Jenson for permission to associate or to modify or amend the terms and conditions of association with a Regulated Entity shall be subject to the then-applicable laws and regulations governing the re-entry process. If such an application is granted, it shall not be a violation of this Order for Jenson to associate with a Regulated Entity on the terms and conditions prescribed by the SRO or Commission. Jenson shall not be permitted to associate with a Regulated Entity without first obtaining consent to associate with that Regulated Entity pursuant to this Section; consent to associate with one Regulated Entity shall not constitute consent to associate with any other Regulated Entity.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Jenson shall pay a civil penalty in the amount of \$200,000 to the Securities and Exchange Commission pursuant to Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)] and Section 209 of the Advisers Act [15 U.S.C. § 80b-9]. Jenson shall make this payment within 14 days after entry of this Final Judgment.

Jenson may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Jenson may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Jenson as a defendant in the Action; and specifying that payment is made pursuant to this Final Judgment.

Jenson shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in the Action. By making this payment, Jenson relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Jenson. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

Jenson shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: _____, 2014

UNITED STATES DISTRICT JUDGE