

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5680 / February 5, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20220

In the Matter of

**ROSEDALE ASSET
MANAGEMENT, LLC f/k/a
PRINCETON ADVISORY
WEALTH MANAGEMENT, LLC,**

Respondent.

**ORDER INSTITUTING CEASE-
AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 203(k) OF
THE INVESTMENT ADVISERS ACT
OF 1940, MAKING FINDINGS,
IMPOSING A CEASE-AND-DESIST
ORDER, AND NOTICE OF
HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Rosedale Asset Management, LLC f/k/a Princeton Advisory Wealth Management, LLC (“PWM” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) in which Respondent, among other things, waives all objections, including but not limited to, constitutional, timeliness, and procedural objections, to the public cease-and-desist proceedings that are instituted pursuant to this order. The Commission has determined to accept the Offer.

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 it and the subject matter of these proceedings, which are admitted, consents to the entry of the Order, as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

Between February 2016 and September 2017, Respondent Rosedale Asset Management, LLC f/k/a Princeton Advisory Wealth Management, LLC ("PWM"), formerly a Commission-registered investment adviser, participated in a widespread bribery scheme that misled a number of prospective clients who were past, present, and prospective NCAA Division I college athletes (the "NCAA Payments Scheme"). PWM, through the actions of its CEO and control person Munish Sood, made at least twenty payments totaling more than \$96,000 to individuals and entities who would: (a) influence amateur athletes to retain PWM as an investment adviser after they turned pro and had money to invest, or (b) introduce Sood to others who, in exchange for additional payments, would influence these same prospective clients to retain PWM. As a result of these efforts, at least five former NCAA (now professional) basketball players signed advisory agreements with PWM. PWM failed to disclose to the prospective clients the facilitating referral payments before they signed the advisory agreements.

As a result of this conduct, PWM violated Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-3 thereunder.

Respondent

1. **Rosedale Asset Management, LLC f/k/a Princeton Advisory Wealth Management, LLC (collectively "PWM")** is a limited liability company organized in Pennsylvania with its principal place of business in Hamilton, New Jersey. From January 2012 through February 2018, PWM was a Commission-registered investment adviser. In December 2011, PWM was founded as Princeton-Blazer Advisors, LLC ("PBA"), and operated under that name until October 2013. From October 2013 to November 2017, PWM's legal and primary operational name was Princeton Advisory Wealth Management, LLC. From at least March 2015 through October 23, 2017, Munish Sood owned at least 95% of PWM, and served as its Chief Executive Officer ("CEO"), Chief Investment Officer ("CIO"), and control person. In October 2017, PWM legally changed its name to Rosedale Asset Management, LLC and Sood divested his direct ownership.

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

Other Relevant Person

2. **Munish Sood**, age 48, resides in Robbinsville, New Jersey. From January 2012 through February 2018, Sood was also associated with PWM. On August 27, 2018, in *United States v. Munish Sood*, No. 1:18-cr-00620-KMW (S.D.N.Y.), Sood pleaded guilty to criminal counts of: (a) Conspiracy to Commit Bribery, Honest Services Fraud, and Travel Act Offenses; (b) Payments of Bribes to an Agent of a Federally Funded Organization; and (c) Wire Fraud Conspiracy. In September 2019, the United States District Court for the Southern District of New York ordered Sood to pay a criminal fine of \$25,000 for these offenses. On October 31, 2019, the Court ordered Sood to pay restitution of \$28,261 to one NCAA Division I university that was the victim of the Wire Fraud Conspiracy, and his liability is joint and several with certain criminal defendants in *United States v. James Gatto, et al.*, 1:17-cr-686-LAK (S.D.N.Y.) and *United States v. Thomas Gassnola*, 1:18-cr-252-LAK-1 (S.D.N.Y.). On December 21, 2021, the Commission instituted administrative proceedings against Sood pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act based on his criminal conviction.

Facts

3. In early 2016, Sood agreed to a business arrangement with an individual who worked at a well-known sports agency (“Agent1”), whereby Sood would pay Agent1 in exchange for (a) recommending that certain basketball players retain PWM for investment advisory services after they made money from playing professional basketball, and (b) introducing Sood to others who could make similar recommendations to retain PWM. Between February 2016 and June 2016, Sood made payments to Agent1 of approximately \$17,500. In return, Agent1 referred two amateur basketball players (now NBA players) to PWM through Sood. Both players eventually signed advisory agreements with PWM.

4. In April 2016, Agent1 introduced Sood to a sports agent (“Agent2”) who worked at the same company as Agent1. Sood agreed to pay Agent2 in return for Agent2 referring prospective professional basketball players to PWM for investment advisory services. Between May 2016 and July 2017, Sood made eight payments totaling \$24,500 to Agent2. In return, Agent2 referred several amateur basketball players (now NBA players) to PWM. Three of those players eventually signed advisory agreements with PWM.

5. In 2017, Sood invested \$22,500 in a new business run by Agent1. Agent1 intended for his business to make payments to individuals who could influence amateur athletes to retain its services when they became professionals. Sood understood that if Agent1’s business provided money to individuals with influence over basketball players prior to the NBA draft, the players might retain the services of PWM when they became professional basketball players.

6. Throughout 2017, Agent1’s business made payments to multiple individuals in the hopes of cultivating clients who would retain its—and PWM’s—services in the future. For example, in or around June 2017, Agent1’s business made two payments totaling \$20,000 to an assistant coach at an NCAA Division 1 school, as well as a \$2,000 payment to the “handler” of a basketball player at that school. In addition, in or around July 2017, Agent1’s business paid \$4,100 to an assistant coach at another NCAA Division 1 school.

7. In total, from February 2016 to September 2017, PWM (through Sood)—directly and indirectly—paid more than \$96,000 to influence prospective clients to retain PWM.

8. PWM never disclosed the payments to the prospective PWM clients. Additionally, PWM never entered into any written agreements concerning the cash solicitations, and PWM's prospective clients were not provided with a written disclosure document that identified the solicitor, the investment adviser, the nature of their relationship, and the terms of the compensation arrangement.

Violations

9. As a result of the conduct described above, PWM violated Sections 206(1) and 206(2) of the Advisers Act, which prohibit investment advisers from directly or indirectly employing any device, scheme, or artifice to defraud any client or prospective client, or engaging in any transaction, practice, or course of business which operates as a fraud or deceit on any client or prospective client.

10. As a result of the conduct described above, PWM violated Section 206(4) of the Advisers Act and Rule 206(4)-3 thereunder, which makes unlawful the payment, directly or indirectly, of a cash fee by an investment adviser required to be registered pursuant to Section 203 of the Advisers Act to a solicitor with respect to solicitation activities, unless the disclosure and other requirements of the Rule are met.

IV.

Pursuant to the Offer, Respondent agrees to additional proceedings in this proceeding to determine, with respect to the civil penalty ordered in Section V.B. below, the amount of a civil penalty that is appropriate and in the public interest, pursuant to Section 203 of the Advisers Act; and

In connection with such additional proceedings: (a) Respondent agrees that it will be precluded from arguing that it did not violate the federal securities laws described in this Order; (b) Respondent agrees that it may not challenge the validity of this Order; (c) solely for the purposes of such additional proceedings, the findings made in this Order shall be accepted as, and deemed, true by the hearing officer; and (d) the hearing officer may determine the issues raised in the additional proceedings on the basis of affidavits, declarations, excerpts of sworn deposition testimony, criminal trial testimony, or investigative testimony, documentary evidence, and, if the hearing officer determines it necessary, hearing testimony.

V.

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, pursuant to Section 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondent PWM cease and desist from committing or causing any violations and any future violations of Sections 206(1), 206(2), and 206(4) of the Advisers Act and Rule 206(4)-3 promulgated thereunder.

B. Respondent PWM shall pay a civil penalty in an amount to be determined by additional proceedings, as described in Section IV of this Order.

VI.

IT IS ORDERED that a public hearing for purposes of taking evidence on the questions set forth in Section IV hereof shall be convened not earlier than thirty (30) days and not later than sixty (60) days from service of this Order at a time and place to be fixed and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

If Respondent fails to appear at a hearing after being duly notified, that Respondent may be deemed in default and the proceedings may be determined against him or it upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) the completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) the determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Vanessa A. Countryman
Secretary