

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 69421 / April 19, 2013**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3- 15294**

**In the Matter of**

**JENNIFER E. THOENNES,**

**Respondent.**

**ORDER INSTITUTING ADMINISTRATIVE  
PROCEEDINGS PURSUANT TO SECTION  
15(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934 AND NOTICE OF HEARING**

**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 Jennifer E. Thoennes (“Respondent” or “Thoennes”).

**II.**

After an investigation, the Division of Enforcement alleges that:

1. Thoennes was an employee of JCN, Inc., a corporation organized under the laws of Utah, from approximately August 2009 through January 2010. Thoennes is not and has never been registered with the Commission in any capacity. For a portion of the time in which she engaged in the conduct underlying the Complaint described below, Thoennes acted as an unregistered broker-dealer and sold securities in unregistered transactions. Thoennes, 38 years old, is a resident of Saugus, Massachusetts.

2. On December 20, 2012, a final judgment by default was entered against Thoennes, permanently enjoining her from future violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, Exchange Act Sections 10(b) and 15(a) and Exchange Act Rule 10b-5, and aiding and abetting violations of Exchange Act Sections 10(b) and 15(a) and Exchange Act Rule 10b-5, in the civil action entitled SEC v. Wilcox et al., Civil Action No. 2:11-cv-01219-DN, in the United States District Court for the District of Utah. Thoennes was ordered to pay disgorgement of \$45,000, plus prejudgment interest of \$4,791 for a total of \$49,791, together with a \$45,000 civil penalty.

3. The Commission's Complaint alleged that Thoennes made materially false and misleading statements to investors in connection with a Ponzi scheme orchestrated by Joseph Nelson ("Nelson"). From approximately August 2005 through July 2010, Nelson operated a Ponzi scheme through JCN, Inc., JCN Capital, LLC, JCN International, LLC, and ProStar Capital, LLC (the "Nelson Companies"). Nelson and his associates, including Thoennes, solicited at least \$16 million from more than 100 persons to invest in promissory notes offered by the Nelson Companies.

4. The Complaint alleged that Thoennes participated in and aided and abetted the scheme by raising and helping to raise at least \$1.5 million from at least 4 persons, and she solicited investments from at least 15 other individuals who did not invest with Nelson. The Complaint alleged that Thoennes made materially false and misleading statements to investors including, among other things, that: (i) Nelson and his companies were engaged in the business of purchasing and selling merchant credit card portfolios; (ii) Nelson and his companies owned merchant credit card portfolios; (iii) Nelson and his companies earned monthly residual fees generated by the merchant credit card portfolios they owned; (iv) investor funds would be used to purchase additional portfolios; and (v) as part owners of the merchant credit card portfolios, investors would earn a portion of the monthly residual fees generated by the portfolios.

5. The Complaint alleged that Thoennes lured investors by offering extraordinary rates of return. Most investors were given promissory notes, the majority of which ranged from 30 days to one year, and had interest rates ranging from 14% to 60%. The notes also called for the payment of additional premium at maturity, the majority of which ranged from 20% to 60% of the principal amount invested. The Complaint alleged that Thoennes sent e-mails to prospective investors promising "guaranteed returns of 66% per year."

6. The Complaint alleged that Thoennes also lulled and helped Nelson lull investors by providing them with false assurances about Nelson and the Nelson Companies. For example, Thoennes arranged for Nelson to obtain an account statement from a third party reflecting that Nelson had \$2 million. Thoennes knew that Nelson did not actually have access to these funds, nor could he use them as collateral, yet she nevertheless arranged for Nelson to obtain this deceptive account statement knowing or being reckless in not knowing that Joseph Nelson intended to and did use it to deceive investors into believing he had \$2 million when, in fact, he did not. Thoennes also drafted an email for Joseph Nelson to send to investors in which she pretended to be a third-party broker for certain "assurity bonds" and suggested that a transaction in such bonds was imminent, thereby deceiving investors into believing that their investment would be repaid.

### **III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act.

#### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened 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.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him 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.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

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.

For the Commission, by its Secretary,  
pursuant to delegated authority.

Elizabeth M. Murphy  
Secretary