

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2009016157801**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Eric Lawrence Bloom, Respondent
General Securities Principal
CRD No. 1742255

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Eric Lawrence Bloom ("Bloom") entered the securities industry in June 1993 when he became associated with a FINRA member. From August 29, 2005 until December 30, 2010, Bloom was associated with Sierra Equity Group, LLC ("Sierra"). Bloom was Sierra's President, Chief Compliance Officer and Anti-Money Laundering Compliance Officer. Bloom holds Series 3, 4, 7, 24, 55 and 63 licenses.

On December 30, 2010, Sierra's FINRA membership was cancelled for failure to pay outstanding fees.¹ Since the cancellation of Sierra's membership, Bloom has not been associated with a FINRA member. Accordingly, FINRA retains jurisdiction over Bloom until December 29, 2012.

RELEVANT DISCIPLINARY HISTORY

Bloom does not have any disciplinary history.

¹ Sierra was later suspended and expelled by FINRA for failure to submit FOCUS filings.

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OVERVIEW

While associated with Sierra, Bloom made material misrepresentations and omissions of fact and unwarranted, exaggerated and misleading statements to investors in connection with the sale of private placement offerings, and failed to use a bank escrow agent in contingent offerings, causing Sierra to violate Section 15(c) of the Exchange Act and SEC Rule 15c2-4; all in violation of NASD Conduct Rules 2110, 2210, and FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

I. The 2006-2008 Private Placement Offerings

a. Offering #1 - Royal Marketing Services, LLC

In late 2006 and early 2007, Sierra solicited customers to invest in a private placement for Royal Marketing Services, LLC ("Royal Marketing"). No offering memorandum was prepared for the offering. Instead, Sierra sent investors a subscription agreement dated January 29, 2007 that contained no information about Royal Marketing's business. The subscription agreement stated that the purpose of the Royal Marketing offering was to raise \$350,000 through the sale of promissory notes. In return for investing in the notes, investors would receive common stock of Tactical Solutions Partners ("TTSR"), a thinly-traded penny stock, in the amount equal to 40% of the amount invested. The agreement set forth generally that investor proceeds would be used as initial funding for "technology risk management solutions and business development services as well as to fund working capital and expenses." However, Royal Marketing had actually been formed by Sierra's outside counsel and operated by his son and wife out of his residential address in Boca Raton, Florida. Sierra raised \$350,000 from nine investors for Royal Marketing.

In August 2007, an amendment to the Royal Marketing subscription agreement was created, which added several material facts regarding the terms of the offering. While the initial subscription agreement did not have a disclosure stating how long the notes would be outstanding, the amended agreement set forth that the notes would have a one-year maturity. Neither the subscription agreement nor its amendment disclosed to investors that on January 23, 2007, just six days prior to the date of the initial subscription agreement, Royal Marketing had entered into a Stock Purchase Agreement that effectuated the sale from an individual to Royal Marketing of 2,802,022 shares of "free trading" common stock of TTSR for a purchase price of \$300,000. Neither the subscription agreement nor the amendment disclosed to investors that investor proceeds had already been used to purchase the TTSR shares from the aforementioned individual.

Based on the foregoing, Bloom made the following material misrepresentations and omissions of fact in the Royal Marketing offering:

- Bloom misrepresented in the subscription agreement dated January 29, 2007 that the use of proceeds for the offering was initial funding of the company's ventures in "technology risk management solutions" and "business development of services." The proceeds were actually used to purchase shares of TTSR from the aforementioned individual;
- Bloom did not disclose the Stock Purchase Agreement between Royal Marketing and the individual that predated the offering; and
- Bloom failed to disclose the conflicts of interest and control relationships that existed among Royal Marketing and Sierra's outside counsel. Specifically, Bloom failed to disclose that the firm's outside counsel, who prepared all Royal Marketing offering documents, had created Royal Marketing to operate out of his residential address and that Royal Marketing was actually owned and operated by outside counsel's son and his wife.

b. Offering # 2 - Royal Palm Capital Opportunity Limited Partnership

From November 2007 through January 2008, Sierra solicited customers to invest in a private placement for Royal Palm Capital Opportunity Limited Partnership ("Royal Palm Capital"). Similar to Royal Marketing, initially no offering memorandum was created. Instead, Sierra sent prospective investors a subscription agreement that contained no information about Royal Palm Capital's business. Royal Palm Capital was controlled by the Royal Investment Management Company, LLC ("RIM"). RIM was a Florida limited liability company whose principals were Sierra's outside counsel's son and his wife, as well as Sierra's CEO. RIM was responsible for all investment decisions for Royal Palm Capital. Sierra raised \$870,000 from 14 investors for Royal Palm Capital, seven of whom had previously invested in the Royal Marketing offering in early 2007.

The last investment for the Royal Palm Capital offering was collected by Sierra on February 22, 2008. On the same day, Sierra sent investors a private placement memorandum and rescission letter. The letter indicated that some facts that might be material had not been disclosed in the subscription agreement. Specifically, the omitted facts included that the proceeds would be used as follows: (i) up to \$400,000 would be invested in membership interests of All American Home Products, LLC ("All American"); (ii) \$352,000 would be used to repay promissory notes issued by Royal Marketing in exchange for the assignment to Royal Palm Capital of 100,000 shares of the common stock TTSR; and (iii) commissions and fees payable to Sierra.

On March 28, 2008, Sierra sent investors a supplement to the offering memorandum with another rescission letter (hereinafter the "supplement"). The supplement stated that certain material information was omitted or not clearly disclosed in the February 22, 2008 offering memorandum. The omitted facts included that 90% of any profits earned by Royal Palm Capital would be distributed to RIM and only 10% of such profits would be distributed to the individual limited partners. The supplement also disclosed conflicts of

interest about Royal Palm Capital's investments and the fact that Royal Palm Capital was purchased for \$350,000 shares of "a publicly traded company having a market value of \$30,000 from an entity owned in part by one of the managing members of the General Partner." The use of proceeds contained in the supplement generally provided that Royal Palm Capital had raised \$870,000 and that \$400,000 of the proceeds had been invested in membership interests of All American. Further, the supplement disclosed that \$352,000 had been used by Royal Palm Capital to purchase 100,000 shares of the common stock of TTSR.

Out of the \$870,000 raised in the Royal Palm Capital offering, \$400,000 was wired directly to the former majority shareholder of All American on February 22, 2008, the same day as the offering memorandum and initial rescission notice. Another \$352,200 was paid to Royal Marketing by check dated February 12, 2008, ten days before the offering memorandum and initial rescission notice, essentially having the seven investors who participated in both the Royal Marketing and Royal Palm Capital offerings unknowingly pay back their own promissory notes. \$70,000 was wired to Sierra as a commission on February 21, 2008, the day before the offering memorandum and initial rescission notice. The \$352,200 that was paid to Royal Marketing was used to satisfy the \$350,000 liability in promissory notes offered through Sierra in the Royal Marketing offering. The \$400,000 that was paid to the owner of All American was to satisfy a promissory note between him and the CEO of Sierra. The owner of All American held the note, which was dated May 23, 2007, and which had a principal amount of \$400,000 that had matured on December 31, 2007.

Based on the foregoing, Bloom made the following material misrepresentations and omissions of fact in the Royal Palm Capital offering:

- Bloom misrepresented the offering in the private placement memorandum dated February 22, 2008 as an investment in membership interests in All American;
- Bloom did not disclose to investors that there was a promissory note between Sierra's CEO and the owner of All American and that \$400,000 was due pursuant to the note as of December 31, 2007;
- Bloom did not disclose to investors that \$400,000 of investors' funds had already been paid to satisfy the above-mentioned note and that \$352,200 of investor funds from the offering had already been paid by check to Royal Marketing to pay back the promissory notes from the Royal Marketing offering; and
- Until the March 2008 supplement to the offering memorandum, Bloom failed to disclose to investors the profit distribution from the offering (90% to RIM) and further failed to disclose the conflicts of interest and control relationships among Royal Palm Capital, RIM and Sierra's outside counsel and counsel's family.

c. Offerings #3-4 - White Oak Equity Partners, LLC ("White Oak") and Birch Systems, LLC ("Birch")

Sierra acted as the selling agent for private placements of both White Oak and Birch. The firm raised \$233,000 from three investors for the White Oak offering in August 2006 and \$350,000 from six investors for the Birch offering in January 2007. Like Royal Marketing, Sierra used only a subscription agreement for the White Oak and Birch offerings.

White Oak and Birch were both Georgia limited liability companies whose controlling partners were two individuals who had been charged by FINRA in 2004 for a market manipulation scheme in connection with their alleged fraudulent sales of over \$3.5 million of Concordia Corporation's stock to customers of Park Capital Securities. The two individuals were later both barred by FINRA for failure to appear for investigative testimony and failure to respond to FINRA's requests for documents and information.

Bloom failed to disclose the significant regulatory history of the controlling partners of White Oak and Birch to investors in the subscription agreements of both White Oak and Birch.

The offering documents for Royal Marketing, Royal Palm Capital, White Oak and Birch were prepared by Sierra's counsel in consultation with Bloom. Bloom relied to his detriment on counsel's advice about which facts needed to be disclosed and which could be omitted in the offering documents.

As a result of Bloom's conduct related to Royal Marketing, Royal Palm Capital, White Oak and Birch, Bloom violated NASD Conduct Rule 2110.

II. Improper Communications with the Public in a Private Placement Offering

In January 2009, Sierra acted as the sole placement agent for a private placement of National Payroll Funding, LLC ("National Payroll"). The National Payroll offering memorandum was dated January 27, 2009 and stated that the company was formed for the purpose of supporting the growth of small businesses by providing them with financing through National Payroll's "innovative suite of factoring and other loan products." National Payroll offered units of the company's 12% preferred limited liability interests to accredited investors. The units were offered at a purchase price of \$100 per unit, with a minimum offering amount of 5,000 units (\$500,000) and a maximum offering amount of 2,500,000 units (\$250,000,000). In March 2009, \$701,200 was raised by Sierra from 12 investors.

The offering memorandum for National Payroll was not fair and balanced regarding the potential investment returns of the partnership. The offering memoranda utilized past performance of the "Average of Top 25 S&P 500 Fund" as compared to the "anticipated" returns of investing in the National Payroll offering.

Specifically, the offering memorandum contained a table and bar graph labeled "Performance Comparison: A Hard Look at the Top 25 index funds vs. National Payroll Funding" that implied that over a 10 year period, if one invested in the Average of Top 25 S&P 500 Funds ranked by past performance, the individual would receive a return of minus 13.46% per \$100,000 invested. The document stated that if an investor invested in the National Payroll offering, the expected return per \$100,000 invested would be 193.16%.

Bloom was the principal at Sierra responsible for supervising all aspects of the firm's business, including ensuring compliance with FINRA's rules regarding communications with the public.

As a result of such conduct, Bloom violated NASD Conduct Rule 2210 and FINRA Rule 2010.

III. Failure to Use a Bank Escrow Agent in Contingent Offerings

Between July 2008 and January 2009, Sierra participated in best efforts, "minimum-maximum" offerings conducted by PC Universe, Inc., All American, Theatre Extreme Entertainment Group, Inc. and National Payroll. Instead of having investors deposit their funds into a bank escrow account as required by SEC Rule 15c2-4, the offering documents for all four offerings set forth that an escrow account with a transfer agent would be established for investor funds during the contingency period. During the contingency period, investors' funds were deposited into the transfer agent's bank account.

As a result of such conduct, Bloom caused Sierra to violate Section 15(c) of the Securities Exchange Act of 1934 and SEC Rule 15c2-4, and Bloom violated NASD Conduct Rule 2110 and FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

A bar from associating with any FINRA member firm in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudice of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

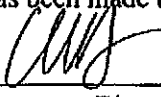
- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule

9216;

- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about my disciplinary record;
 - 3. *FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and*
 - 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

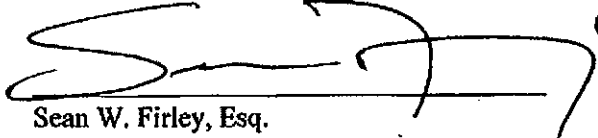
9/27/11
Date (mm/dd/yyyy)


Eric Lawrence Bloom, Respondent

Accepted by FINRA:

10/6/11
Date

Signed on behalf of the
Director of ODA, by delegated authority



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