

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2
3 COMMISSIONERS

4 MARC SPITZER, Chairman
5 JIM IRVIN
6 WILLIAM A. MUNDELL
7 JEFF HATCH-MILLER
8 MIKE GLEASON

9 In the matter of:)

Docket No. S-03526A-03-0000

10 OCEAN INTERNATIONAL MARKETING,)
11 LTD.)

**TEMPORARY ORDER TO CEASE AND
DESIST AND NOTICE OF OPPORTUNITY
FOR HEARING**

12 De Leuve)
13 Schiedamsedijk 42)
14 3011 ED Rotterdam)
15 The Netherlands)

16 HEROS GLOBAL MARKETING, LTD.)

17 De Leuve)
18 Schiedamesdijk 42)
19 3011 ED Rotterdam)
20 The Netherlands)

21 SEED INTERNATIONAL, LTD.)

22 Buckinghamshire House)
23 174 South Church Street)
24 P. O. Box 1778)
25 GT Grand Cayman)

26 GFH INTERNATIONAL)

167 18 146th Avenue)
Jamaica, New York 11434)

27 GEORGE IOANNOU and JANE DOE)

28 IOANNOU)
29 c/o GFH International)
30 167 18 146th Avenue)
31 Jamaica, New York 11434)

32 RYAN FERREIRA and JANE DOE)

33 FERREIRA)
34 c/o Ocean International Marketing, Ltd.)
35 De Leuve)
36 Schiedamsedijk 42)
37 3011 ED Rotterdam)
38 The Netherlands)

39 Respondents.)

1 from the offices of GFH to one or more residents of the State of Arizona.

2 7. On information and belief, at all times material hereto, IOANNOU was married to
3 JANE DOE IOANNOU. All actions taken by IOANNOU as alleged herein were taken on behalf of
4 IOANNOU and the marital community of IOANNOU and JANE DOE IOANNOU. JANE DOE
5 IOANNOU is joined herein pursuant to A.R.S. § 2031(C) solely to determine the liability of the
6 marital community for the actions of IOANNOU.

7 8. RYAN FERREIRA is an individual. FERREIRA, on behalf of OCEAN, HEROS,
8 and SEED, offered or sold investments in “fine wine” to at least one Arizona resident.

9 9. On information and belief, at all times material hereto, FERREIRA was married to
10 JANE DOE FERREIRA. All actions taken by FERREIRA as alleged herein were taken on behalf
11 of FERREIRA and the marital community of FERREIRA and JANE DOE FERREIRA. JANE
12 DOE FERREIRA is joined herein pursuant to A.R.S. § 2031(C) solely to determine the liability of
13 the marital community for the actions of FERREIRA.

14 10. OCEAN, HEROS, SEED, GFH, IOANNOU, and FERREIRA may be collectively
15 referred to as “RESPONDENTS.” JANE DOE IOANNOU and JANE DOE FERREIRA may be
16 referred to herein as “RESPONDENT SPOUSES.”

17 **III.**

18 **FACTS**

19 4. In October of 2000, RESPONDENTS contacted at least one known Arizona
20 resident, offering to sell that Arizona resident an investment in “fine wine” on behalf of SEED.

21 5. During February of 2001, at least one known Arizona resident received an
22 unsolicited mailing from RESPONDENTS, offering to sell an investment in “fine wine” on behalf
23 of SEED.

24 6. The written materials received from RESPONDENTS represented that:

25 Seed International is responsible for the following:

- 26
- Sourcing collectables and negotiating their purchase from third parties at below market prices.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

8. RESPONDENTS have offered or sold, and continue to offer or sell, securities within or from Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

9. This conduct violates A.R.S. § 44-1842.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

10. In connection with the offer or sale of securities within or from Arizona, RESPONDENTS directly or indirectly: (i) employed a device, scheme or artifice to defraud; (ii) made untrue statements of material fact or omitted to state material facts which were necessary in order to make the statements made not misleading in light of the circumstances under which they were made; or (iii) engaged in transactions, practices or courses of business which operated or would operate as a fraud or deceit upon offerees and investors. RESPONDENTS' conduct includes, but is not limited to, the following:

a) Failure to provide prospective investors with adequate information to enable them to fully evaluate the potential risks of the investment, particularly including the financial background of RESPONDENTS, e.g., audited financial statements;

b) Specifically stating that risk of loss is "extremely improbable" in connection with the investment program promoted by RESPONDENTS, without providing any basis in fact for that representation;

c) Failure to advise potential investors that the investment contracts offered by RESPONDENTS were securities under Arizona law;

d) Failure to advise potential investors that the investment contracts offered by

1 RESPONDENTS were not registered as securities under Arizona law; and

2 e) Failure to advise potential investors of potential adverse consequences
3 resulting from RESPONDENTS' failure to register the securities under Arizona law.

4 11. This conduct violates A.R.S. § 44-1991.

5 **VII.**

6 **REMEDIES PURSUANT TO A.R.S. § 44-2032**

7 **(Restitution, Penalties, or other Affirmative Action)**

8 12. RESPONDENTS' conduct is grounds to assess restitution, penalties, and/or take
9 appropriate affirmative action pursuant to A.R.S. § 44-2032.

10 **VIII.**

11 **TEMPORARY ORDER**

12 **Cease and Desist from Violating the Securities Act**

13 THEREFORE, based on the above allegations, and because the Division has determined that
14 the public welfare requires immediate action,

15 IT IS ORDERED, pursuant to A.R.S. § 44-2032, and A.A.C. R14-4-307, that the
16 RESPONDENTS, their agents, servants, employees, successors, assigns, and those persons in active
17 concert or participation with them CEASE AND DESIST from any violations of the Securities Act.

18 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in
19 effect for 180 days unless sooner vacated, modified or made permanent by the Commission.

20 IT IS FURTHER ORDERED that this Order shall be effective immediately.

21 **IX.**

22 **REQUESTED RELIEF**

23 The Division will request that the Commission grant the following relief against
24 RESPONDENTS:

25 1. Order RESPONDENTS to permanently cease and desist from violating the
26 Securities Act, pursuant to A.R.S. § 44-2032;

1 If a request for hearing is not timely made, the Division will request that the Commission
2 make permanent this Temporary Order, with written findings of fact and conclusions of law, which
3 may include ordering restitution, assessing administrative penalties or other relief.

4 Persons with a disability may request a reasonable accommodation such as a sign language
5 interpreter, as well as request this document in an alternative format, by contacting Shelly M.
6 Hood, Executive Assistant to the Executive Secretary, voice phone number 602/542-3931, e-mail
7 shood@cc.state.az.us. Requests should be made as early as possible to allow time to arrange the
8 accommodation.

9 **XI.**

10 **ANSWER REQUIREMENT**

11 Pursuant to A.A.C. R14-4-305, if any RESPONDENT or RESPONDENT SPOUSE
12 requests a hearing, the RESPONDENT or RESPONDENT SPOUSE must deliver or mail an
13 Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission,
14 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of
15 this Temporary Order to Cease and Desist and Notice of Opportunity for Hearing,. A Docket
16 Control cover sheet must accompany the Answer. A cover sheet form and instructions may be
17 obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site
18 at www.cc.state.az.us/utility/forms/index.htm.

19 Additionally, the RESPONDENT or RESPONDENT SPOUSE must serve the Answer
20 upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by
21 mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd
22 Floor, Phoenix Arizona, addressed to Kathleen Coughenour DeLaRosa.

23 The Answer shall contain an admission or denial of each allegation in this Temporary
24 Order and Notice and the original signature of each RESPONDENT, RESPONDENT SPOUSE, or
25 the RESPONDENT's attorney. A statement of a lack of sufficient knowledge or information shall
26 be considered a denial of an allegation. An allegation not denied shall be considered admitted.

