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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MARC SPITZER, Chairman
JIM IRVIN
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
MIKE GLEASON

Arizona Corporation Commission
DOCKETED

OCT 14 2003

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In the matter of:

OCEAN INTERNATIONAL MARKETING,
LTD.

De Leuve
Schiedamsedijk 42
3011 ED Rotterdam
The Netherlands

HEROS GLOBAL MARKETING, LTD.

De Leuve
Schiedamsedijk 42
3011 ED Rotterdam
The Netherlands

SEED INTERNATIONAL, LTD.

Buckinghamshire House
174 South Church Street
P. O. Box 1778
GT Grand Cayman

GFH INTERNATIONAL

167 18 146th Avenue
Jamaica, New York 11434

GEORGE IOANNOU and JANE DOE

IOANNOU
c/o GFH International
167 18 146th Avenue
Jamaica, New York 11434

RYAN FERREIRA and JANE DOE

FERREIRA
c/o Ocean International Marketing, Ltd.
De Leuve
Schiedamsedijk 42
3011 ED Rotterdam
The Netherlands

Respondents.

Docket No. S-03526A-03-0000

Decision No. 66402

**DEFAULT ORDER TO CEASE AND
DESIST, ORDER FOR RESTITUTION,
AND ORDER FOR ADMINISTRATIVE
PENALTIES WITH RESPECT TO
RESPONDENTS OCEAN
INTERNATIONAL MARKETING, LTD.,
HEROS GLOBAL MARKETING, LTD.,
AND SEED INTERNATIONAL, LTD.**

1 On April 15, 2003, the Securities Division ("Division") of the Arizona Corporation
2 Commission ("Commission") filed a Temporary Order to Cease and Desist and Notice of
3 Opportunity for Hearing ("Temporary Order") with respect to Respondents OCEAN
4 INTERNATIONAL MARKETING, LTD. ("OCEAN"), HEROS GLOBAL MARKETING,
5 LTD. ("HEROS"), and SEED INTERNATIONAL, LTD. ("SEED") (collectively the "OCEAN
6 RESPONDENTS"). The Division served the Temporary Order on each of the OCEAN
7 RESPONDENTS via certified mail, return receipt requested, as is permitted pursuant to the terms
8 of the Hague Convention governing international service of process. The Temporary Order
9 specified that the OCEAN RESPONDENTS would be afforded an opportunity for an
10 administrative hearing regarding this matter upon filing a written request with Docket Control of
11 the Commission within ten days of receipt of the Temporary Order. The OCEAN
12 RESPONDENTS failed to request a hearing within the required time.

13 I.

14 FINDINGS OF FACT

15 1. OCEAN is a foreign business entity with its primary place of business in Rotterdam,
16 The Netherlands. OCEAN was served with the Temporary Order by certified mail, pursuant to the
17 Hague Convention, on or about April 15, 2003. OCEAN did not request a hearing or provide an
18 Answer to the Temporary Order within the time provided therefor in the Temporary Order.

19 2. HEROS is a foreign business entity with its primary place of business in Rotterdam,
20 The Netherlands. HEROS was served with the Temporary Order by certified mail, pursuant to the
21 Hague Convention, on or about April 15, 2003. HEROS did not request a hearing or provide an
22 Answer to the Temporary Order within the time provided therefor in the Temporary Order.

23 3. SEED is a foreign business entity with its primary place of business in Grand
24 Cayman. SEED was served with the Temporary Order by certified mail on or about April 15, 2003.
25 Although SEED responded to the Temporary Order with a letter addressed to the Division, SEED
26 specifically stated in that letter that SEED did not intend to request a hearing.

1 4. Beginning in or before March, 1997, the OCEAN RESPONDENTS, directly or
2 through their agents and/or employees, contacted Arizona residents, offering to sell Arizona
3 residents an investment in "fine wine" on behalf of SEED.

4 5. During February of 2001, at least one known Arizona resident received, directly or
5 through agents and/or employees of the OCEAN RESPONDENTS, an unsolicited mailing from the
6 OCEAN RESPONDENTS, offering to sell an investment in "fine wine" on behalf of SEED.

7 6. The written materials represented that:

8 Seed International is responsible for the following:

- 9 • Sourcing collectables and negotiating their purchase from third
10 parties at below market prices.
- 11 • Acting as an agent for each successive purchaser.
- 12 • Managing the collection portfolio for each individual Member.
- 13 • Acting on behalf of each Member in inviting and admitting new
14 Members into the Programme.

14 The written materials further stated:

15 Our independent team of specialists and financial analysts make it
16 possible for our clients to acquire wine assessed as having the
17 potential to increase in value. An added bonus is that each client's
18 collection portfolio is managed on their behalf by Seed International.

18 The Company's network on wine experts operates globally to
19 identify stock worthy of collection. Authenticity and marketability is
20 thoroughly evaluated before Seed International judges it worthy of
21 any client's attention. By this reliable route, Seed International is
22 able to recommend purchases at levels below actual market value,
23 likely to appreciate in value, and provide resale potential for the
24 client.

22 7. From or about January, 1997 through at least April 26, 2002, the OCEAN
23 RESPONDENTS, directly or through their agents and/or employees, offered or sold investment
24 contracts in "fine wine" within or from Arizona to at least three Arizona residents.

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II.

CONCLUSIONS OF LAW

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3 5. The Commission has jurisdiction over this matter pursuant to Article XV of the
4 Arizona Constitution and the Securities Act.

5 6. Beginning in or about January, 1997, the OCEAN RESPONDENTS offered or sold
6 securities in the form of investment contracts or commodity investment contracts, within or from
7 Arizona.

8 7. The securities referred to above were not registered pursuant to Articles 6 or 7 of the
9 Securities Act.

10 8. This conduct violates A.R.S. § 44-1841.

11 9. THE OCEAN RESPONDENTS have offered or sold securities within or from
12 Arizona while not registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

13 10. This conduct violates A.R.S. § 44-1842.

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

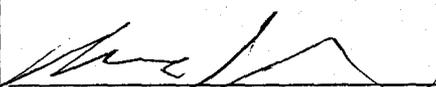
21 a) Failure to provide prospective investors with adequate information to enable
22 them to evaluate fully the potential risks of the investment, particularly including the
23 financial background of the OCEAN RESPONDENTS, e.g., audited financial statements;

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

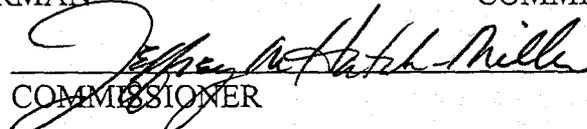
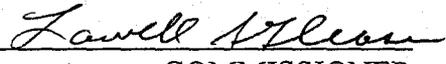
1 IT IS FURTHER ORDERED that the Commission shall retain jurisdiction to reopen this
2 matter to adjust the restitution amount if more investors come to the attention of the Division after
3 entry of this Order.

4 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that the OCEAN
5 RESPONDENTS shall each pay an administrative penalty in the amount of \$25,000.00, payable to
6 the "State of Arizona," for a total penalty of \$75,000.00. Any amount outstanding shall accrue
7 interest at the rate of 10% per annum from the date of this Order until paid in full.

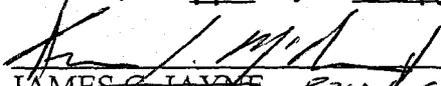
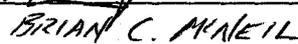
8 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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 CHAIRMAN

 COMMISSIONER

 COMMISSIONER

 COMMISSIONER

 COMMISSIONER

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13 IN WITNESS WHEREOF, I, ~~JAMES G. JAYNE~~, ^{BRIAN C. McNEIL} Interim
14 Executive Secretary of the Arizona Corporation Commission,
15 have hereunto set my hand and caused the official seal of the
16 Commission to be affixed at the Capitol, in the City of
17 Phoenix, this 14th day of October, 2003.

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 JAMES G. JAYNE
 Interim Executive Secretary

 BRIAN C. McNEIL

18 DISSENT

19 This document is available in alternative formats by contacting Shelly M. Hood, ADA Coordinator,
20 voice phone number 602-542-3931, E-mail shood@cc.state.az.us

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