

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

In the Matter of
OCEANOGRAPHIC VENTURES, INC.
(24A-1943)

FILED

MAY - 7 1970

INITIAL DECISION

SECURITIES & EXCHANGE COMMISSION

Warren E. Blair
Hearing Examiner

Washington, D. C.
May 7, 1970

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APPEARANCES: J. Cecil Penland and Jennie H. Randolph of the
Atlanta Regional Office of the Commission for
the Division of Corporation Finance.

William K. Chester, for Oceanographic Ventures,
Inc.

Ivan A. Ezrine, for Berne Securities Corp.

BEFORE: Warren E. Blair, Hearing Examiner.

By Order of the Commission dated December 18, 1969 ("Order"), the exemption of Oceanographic Ventures, Inc. ("OVI") from the registration requirements of the Securities Act of 1933 ("Securities Act") provided under Regulation A of that Act was temporarily suspended. The Order charged that OVI's notification and offering circular filed under Regulation A contained untrue statements of material facts and omitted to state material facts necessary in order to make the statements made not misleading. In substance, the Order alleges that the notification and offering circular do not adequately and accurately disclose the consideration paid by the OVI's two promoters for the common stock issued to them, and that the offering circular fails to adequately disclose OVI's present and proposed business activities, the past business experience of OVI's principals, and the proposed use of proceeds. Allegations are also made that the offering circular omits financial statements of OVI's predecessor and lists an incorrect address for William G. Miller, president and a director of OVI as well as one of its promoters. It is further alleged that OVI failed to cooperate with the Commission in connection with the processing of the filing in question under which OVI proposed to offer 60,000 shares of its 1¢ par value common stock at \$5 per share, and that the offering, if made, would operate as a fraud upon purchasers in violation of Section 17(a)

of the Securities Act.

Answers were filed by OVI and by the underwriter of the proposed offering, Berne Securities Corporation ("Berne"), and a hearing was held pursuant to their requests to determine whether to vacate the Order or to enter an order permanently suspending the Regulation A exemption. OVI and Berne appeared and were represented by counsel throughout the hearing.

As part of the post-hearing procedures, successive filings of proposed findings, conclusions, and briefs were specified. Timely filings thereof were made by the Division of Corporation Finance ("Division") and by Berne, but OVI did not avail itself of the opportunity to file counterproposals or a brief.^{1/}

The findings and conclusions herein are based upon the preponderance of the evidence as determined from the record and upon observation of the witnesses.

ISSUER

Oceanographic Ventures, Inc. was incorporated on March 3, 1969 under the laws of Delaware for the purpose of producing oceanographic documentary films and assembling and selling underwater lights and hydrostatic testers. The company's principal office is located in Miami, Florida.

^{1/} Although not entitled to do so under the Rules of Practice, Berne filed a reply to the Division's reply brief; Berne's reply is now accepted as part of the record herein.

William G. Miller, one of OVI's promoters, is also its president, a director, and owner of 180,000 shares of OVI's 240,000 outstanding shares of common stock. William K. Chester, who is acting as counsel for OVI in this proceeding, is also a promoter of OVI, as well as its secretary-treasurer, a director, and holder of the other 60,000 shares of the outstanding stock.

On June 16, 1969 OVI filed a notification and offering circular for the purpose of obtaining an exemption from the registration requirements of the Securities Act pursuant to Section 3(b) thereof and Regulation A thereunder, for a proposed public offering of 60,000 shares of its 1¢ per value common stock at \$5 per share. The underwriter, Berne, agreed to use its best efforts on "an all or none" basis to find purchasers for that stock.

MISLEADING STATEMENTS IN REGULATION A FILING.

Insider Transactions with Issuer.

Upon the formation of OVI, Miller and Chester respectively received 180,000 shares and 60,000 shares of the company's common stock which they now hold. According to the offering circular in question, Miller "contributed merchandise inventories, a patent pending and a patent application, and other tangible assets" in exchange for his stock, and Chester "paid \$600 in cash for his 60,000 shares." As additional consideration for the patent properties, OVI assumed a personal indebtedness of \$10,000 owed by

Miller and may have issued a note in that amount secured by those patent rights to Paul Cantor.^{2/} Another note for \$10,000 secured by a chattel mortgage on all inventories and equipment owned by OVI was issued by OVI to Sten Nordin, a nominee of Chester's, but the offering circular does not set forth the consideration received by OVI for the latter note.

After reviewing OVI's original filing, the Atlanta Regional Office ("ARO") of the Commission in a letter of comment dated July 17, 1969 requested that OVI amend its notification by listing separately under Item 9 thereof the shares issued to Miller and Chester and the consideration received by OVI. In its first amendment to Item 9 filed July 24, 1969, OVI stated that 180,000 shares were issued to Miller and 60,000 to Chester, that they had contributed about \$60,000 for those shares on a basis of 66-2/3% by Miller, 33-1/3% by Chester, and that the \$60,000 capital contribution consisted of \$8,193 cash and \$51,807 in merchandise, inventories, completed film and machinery and equipment valued "at the cash cost to such transferors." However, in the first amended offering circular also filed July 24, 1969 OVI represented that Miller and Chester received their shares

^{2/} Neither the record nor the offering circular makes clear whether OVI assumed Miller's indebtedness to Cantor by entering into an agreement to assume and pay a \$10,000 note previously drawn and issued by Miller to Cantor, or drew and issued in its own name a new \$10,000 note payable to Cantor as evidence of the assumption of Miller's indebtedness to him.

"at a cash cost to them of \$193 plus the transfer of net assets valued at \$59,676, based on approximate cost,"

A second letter of comment dated September 12, 1969 informed OVI that the information in the amendment to Item 9 was not responsive to the earlier comment and further that the information could not be reconciled with that in the offering circular. In addition, ARO pointed out that no disclosure had been made under Item 9(a) of the notification or in the offering circular regarding the issuance of the \$10,000 notes, and that the offering circular required detailed information under the caption "Transactions With Management" in order to meet the disclosure requirements of Section 17(a) of the Securities Act and of Regulation A.

Sometime after filing the first amendment, Chester became concerned about his ability to cope with the federal securities laws and he and OVI asked counsel for Berne to take over the processing of the Regulation A filing. At the latter's suggestion OVI engaged a New York accountant in the early part of September, 1969 to prepare OVI's financial statements for use in the filing. After reviewing OVI's records, the accountant came to the conclusion that the assets contributed by Miller had no value, and insisted "in effect that there was no note issued and any monies he [Miller] might have advanced would have accordingly to be treated as loans." With respect to monies advanced by or on behalf of Chester, the accountant expressed the opinion that "this note is

a non-existent note" and that it should be torn up with any monies advanced to be treated as a loan. In line with the accountant's opinion, the notes were destroyed and OVI's books changed to delete notes payable of \$20,000 and to reflect loans payable to officers in an amount of \$14,640.

On October 12, 1969, after the notes had been destroyed, OVI filed a second amendment to its notification, together with an amended offering circular. In that filing the September 12 requests of ARO for explication regarding the two \$10,000 notes were disregarded. Moreover, references to those notes set forth in the earlier offering circulars were deleted, and the obligation of notes payable removed from the financial statements which purported to speak as of August 31, 1969. The October 12 offering circular further revised earlier representations with respect to the issuance of OVI's 240,000 shares of outstanding stock to indicate that the 180,000 shares issued to Miller were in exchange for various assets to which no dollar value could be assigned, and that Chester had paid \$600 for his 60,000 shares. In addition, the second amendment to the notification continued to omit under Item 9 any mention of the two notes, representing under Item 9(a) that the 240,000 shares of common stock issued to Miller and Chester were the only unregistered securities issued by OVI within one year prior to the filing of the notification, and under Item 9(b) that OVI did not sell within one year prior to the filing

any unregistered security for the account of a director, officer, promoter, or principal security holder of OVI.

By letter of comment dated October 16, 1969 OVI was advised that ARO was unable to comment on the "Business of the Company" section because of a conflict with earlier material submitted by the company, and unable to comment on the revised "Transactions with Management" section because of insufficient facts concerning the transactions.

On October 23, 1969 OVI filed the third and as of now latest amendment to its notification ^{3/} and a further revised offering circular. Once more ignoring the September 12 request of ARO for detailed information about the two \$10,000 notes, OVI limited the disclosures regarding the notes and other material transactions between the company and its officers, directors, promoters, or affiliates to a brief statement which appears on page 7 in the revised offering circular as follows:

TRANSACTIONS WITH MANAGEMENT

Contemporaneously with the organization of the Company on March 3, 1969, the Company issued and sold an aggregate of 240,000 shares of Common Stock to Messrs. Miller (180,000 shares) and Chester (60,000 shares). Mr. Miller contributed merchandise inventories, a patent pending and a patent application, and other intangible assets in exchange for his 180,000 shares. Mr. Chester paid \$600 in cash for his 60,000 shares. In addition, the Company

3/ No amendment to Item 9 was included in OVI's third amendment.

assumed a personal indebtedness of \$10,000 owed by Mr. Miller as partial consideration in connection with the transfer of the patent pending and patent application to the Company, and secured such indebtedness by contemporaneous assignments thereof. Subsequently, the Company agreed with Mr. Miller that, since no ascertainable value could be placed on the patent pending and patent application, no value would be ascribed thereto. Consequently, the promissory note previously issued by the Company was cancelled and the obligation to discharge the same was assumed by Mr. Miller; and the Company's assignment of the patent pending and application as security was also cancelled.

During the period from the inception of the Company to date, Messrs. Miller and Chester loaned the Company an aggregate of \$15,418. Of such amount \$778 has been repaid, thereby leaving a balance of \$14,640 owed by the Company. (See "Use of Proceeds" herein.) No interest has been or will be paid by the Company on such loans. Initially the Company issued a \$10,000 note to a nominee of Mr. Chester secured by a chattel mortgage on all inventories and equipment owned by the Company. Prior to August 31, 1969, the Company obtained the cancellation of the secured note and consent to treat the balance then due as an unsecured indebtedness. Of the sum of \$14,640 owed to officers on August 31, 1969, \$9,594 thereof remained due to Mr. Chester.

. . . .

Except as herein disclosed, there have been no material transactions between the Company and its officers, directors, promoters or affiliates, and none are contemplated.

While the reasons for OVI's pertinacious refusal to make the disclosures sought by ARO regarding the two \$10,000 notes and the transactions between the company and Miller and Chester are not in the record, it is manifest that the filing as it now stands is false and misleading with respect to those matters. The notification as amended falsely represents under Item 9 that

during the year prior to the filing OVI had neither issued unregistered securities other than common stock nor sold such securities for the account of a director, officer, promoter, or principal security holder of OVI. At least one, and possibly two \$10,000 notes were unregistered securities issued during that time period and the note issued to Sten Nordin at Chester's behest because in part Nordin had "put up some of the money," takes on the character of an unregistered security that OVI sold on behalf of Chester. Facts concerning the issuance of any unregistered note should have been included in the response to Item 9, together with such detail as is required to be placed in a notification under Regulation A.

In addition, it appears that the reference under Item 9(a) to a patent application as part of the assets contributed by Miller in exchange for the 180,000 shares of OVI stock is false in that no patent application had yet been made. Similarly, the last offering circular is false and misleading in that regard, and requires additional details concerning the status of that patent application to be set forth before the information in that respect is acceptable. Further, the inclusion of that patent application as an asset in OVI's financial statements renders those statements false.

The notification and offering circular as they now stand are also false and misleading with respect to the consideration

paid by Chester for his 60,000 shares of OVI stock. It is true that the disparity between the last representation that Chester paid \$600 for the stock and the earlier representation on that score would not establish the falsity of either of the representations, but evidence of Chester's early transactions with Miller and Nordin, when added to the earlier representations of OVI concerning the consideration paid by Chester, warrant a finding that initially Chester did not pay \$600 in cash for his 60,000 shares. If, as seems possible, OVI's accountant reversed, cancelled, or recast the original transaction so that a consideration of \$600 cash is now reflected on OVI's books, a satisfactory explanation of such change must be included in the filing.

Without more disclosure regarding the \$10,000 notes than OVI has seen fit to include in its latest offering circular, the statements made are clearly misleading. "Information regarding transactions between an issuer and its promoters and controlling persons is a matter in which investors are vitally interested and on which they have a right to expect a full and accurate presentation when the issuer makes a public offering of its securities."^{4/} Here, a full and accurate presentation of such transactions requires the further disclosures which have been requested of OVI by ARO.

^{4/} Mid-Hudson Natural Gas Corporation, 38 S.E.C. 639, 641 (1958).

The offering circular does not disclose needed information concerning the description of OVI's assets, the cost to Miller of the assets he transferred to OVI, the encumbrances then existing thereon, ^{5/} the title under which those assets were and are now held, the present encumbrances, if any, and if none, the circumstances under which a release from encumbrances was obtained. Also needed are details about the issuance of Miller's note to Cantor, including dates of issuance and maturity, an explanation of the assumption by OVI of Miller's note to Cantor, a statement whether Miller's note is in existence, and, if not, the circumstances under which OVI may have obtained a release of that note. As to any note drawn and issued by OVI, information must be disclosed which will include the dates of issuance and maturity, names of payees, collateral securing any notes, the transaction that gave rise to each note, the consideration received for each note, the use made of any funds forming part of the consideration for each note, and the assumption or reassumption by any person of any obligation represented by any notes upon their cancellation. Since at least two notes appear to have been cancelled and destroyed, the offering circular must set forth all of the pertinent data surrounding those acts including dates of occurrence, consideration

^{5/} Note 9 to OVI's balance sheet as of March 31, 1969 filed with the initial offering circular states that a \$10,000 note from Miller to Cantor is secured by the patent rights on the underwater lights and hydrostatic tester.

given to payees, and the opinion of the accountant that the notes should not have been issued in the first place, together with his reasons for that opinion and his participation in obtaining the cancellation and destruction of the notes. In addition, the offering circular must be supplemented with further details regarding the \$14,640 loans payable to officers in order to disclose the bases upon which OVI determined the amount of the loans from Miller and Chester, the dates upon which the loans were made, and the dates and circumstances of OVI's repayments of any part of these loans.

It further appears that the Statement of Liabilities as of August 31, 1969 which was filed with the last offering circular is false in that it reflects \$14,640 as "Loans payable-officers" and omits to list the two \$10,000 notes. Although OVI's accountant testified that he caused the cancellation of the two notes shortly prior to August 31, 1969, testimony regarding the date of cancellation is not credited. In a letter to ARO dated October 1, 1969 counsel for Berne states that subsequent to the visit of ARO's staff member to Miami, Florida, a recommendation was made to Berne that an accountant be obtained. Since the record otherwise places the visit of ARO's staff member to Miami during the four-day period September 2 through September 5, 1969, the accountant must have been engaged in September and could not have

caused the cancellation of the two \$10,000 notes prior to August 31.^{6/}

Berne's argument that the offering circular need not disclose all of the prior transactions between promoters regarding the issuance of shares where such offering circular adequately discloses the end result of such transactions appears consonant with the stated views of the Commission,^{7/} but is inapposite in connection with the present filing. Far from adequately disclosing the end result of the various transactions in question, the representations and financial statements in the offering circular obfuscate and distort the existing rights and relationships between OVI and Miller and Chester to a degree that makes the offering circular obviously false and misleading.

Not the least of the confusion about the "end result of prior transactions" introduced into the filing involves the \$10,000 notes about which Berne yet contends there has been full and accurate disclosure. Berne asserts in its initial brief and again in its reply brief that only two \$10,000 notes ever existed, that one was "the \$10,000 note issued by Miller to Paul Cantor [which]

^{6/} Other testimony given by the accountant is consistent with the finding that the engagement took place in September, and inconsistent with his stated recollection that he told Chester shortly prior to August 31, 1969 that the notes had no meaning.

^{7/} Mid-Hudson Natural Gas Corporation, supra.

was later assumed by the Issuer [OVI]" and the "second \$10,000 note to Chester was issued at Chester's request to Sten Nordin." Berne then claims that these facts are "reified on page 7 of the most recent Offering Circular. . . ." However, page 7 of the offering circular is not as clear as Berne contends with respect to the note relating to Miller's indebtedness. Contrary to Berne's argument, there is no statement therein in words or effect that the "first \$10,000 note indebtedness assumed by the Issuer in connection with the acquisition of Miller's assets was cancelled because Miller could not demonstrate ascertainable value," What is stated on page 7 after reference to an agreement between OVI and Miller that no value could be ascribed to Miller's patent pending and patent application is that "[c]onsequently, the promissory note previously issued by the Company was cancelled and the obligation to discharge the same was assumed by Mr. Miller;" The reasonable inference to be drawn from the latter statement is that OVI drew and issued the promissory note that was cancelled following the agreement of OVI and Miller that no value could be placed on his patent properties. If, in fact, OVI did not issue a note when it assumed Miller's indebtedness to Cantor, then the offering circular is misleading in representing in context with that assumption of indebtedness that a "promissory note previously issued by the Company was cancelled. . . ."

Business Activities of OVI

In its response to Item 1(c) of the notification, OVI states that OVI "conducts its principal business operations in the State of Florida." The statement is false in that OVI has not carried on any business operations in Florida. It appears from Miller's testimony that the only business operation that OVI has engaged in was in connection with a limited amount of underwater filming and that the filming took place in Long Island Sound off the shores of New York. Other than that work, undertaken in connection with a contract that OVI has with Universal Education and Visual Arts ("UEVA"), it appears that OVI was dormant, its equipment warehoused.

The last offering circular filed is also false and misleading in regard to OVI's business activities. The underwater film being produced under the UEVA contract was represented therein to be in a stage of production that would permit OVI to meet the contract completion date of October 15, 1969. Since the offering circular was filed on October 23, 1969, the deadline had already passed. The fact that the October 15 date may have been a typographical error and that the date should have been December 15, as claimed by Berne, would not make the representation less confusing to an investor, and it must therefore be regarded as materially misleading. Further, the offering circular is deficient in that it fails to disclose that OVI had to obtain a sixty-day extension

because it was unable to meet its original contract commitment, and omits to disclose the terms under which such extension was granted. In addition, the passing reference to the fact that OVI believes it can meet its contract obligation is not adequate disclosure upon which an investor could assess the risk of OVI's defaulting on that contract. Additional information is required setting forth the date of commencement of work under the UEVA contract, the subject matter of the film, the locale of the filming, the extent to which the work has been completed, the nature and estimated cost of the work done and to be done before completion, and the nature of any difficulties encountered or foreseeably to be encountered in meeting the terms of the contract.

OVI must also resolve the inconsistencies in the offering circular arising from its assertions on the one hand that the company is dependent upon the proceeds of the offering to commence operations, has not produced or made sales of its products, and has its equipment in storage, and the representation on the other hand that it is producing a film under a contract with UEVA. Another area of inconsistency in the offering circular is found in the representation that OVI will "continue the development and production" of its underwater lights and hydrostatic tester, which neither squares with the contrary representations in the offering circular that OVI has no production facilities and has not produced any product nor with Miller's testimony that he, rather than the company,

had produced prototypes, and that no commercial production had taken place. As noted earlier herein, the representations in the offering circular regarding the "patent application" purportedly contributed by Miller and claimed by OVI as an asset are inaccurate and must be deleted. The "patent application" which relates to the hydrostatic tester has never been prepared, much less filed with the patent office. If OVI has an intention to file a patent application covering the hydrostatic tester, any representations regarding the intention would have to include disclosure that the application has not been prepared, that Miller gave OVI only blueprints and a prototype of the tester, and that funds have been unavailable to pay patent attorneys to prepare the application for filing.

Address and Business Experience of Miller.

Under several items of the notification as amended, Miller's address is stated to be 6250 S.W. 57th Avenue, South Miami, Florida, and the same address for him was used in the last offering circular filed October 23, 1969. The address, as Berne concedes, is inaccurate. According to Miller's testimony, he moved in August or September, 1969 from an address on 57th Avenue which he could not recall to 6750 S.W. 57th Avenue which was where Chester lived. Miller soon left Florida, and as of September 5, 1969 was residing in New York and receiving mail in care of

Andrew Fineman, 424 Madison Avenue, New York, New York.

With respect to Miller's background and experience, the offering circular states:

William Miller -- President and Director

Mr. Miller is 53 years of age and, since 1957, has been engaged in activities related to the oceanography field. Since 1964, Mr. Miller has been engaged in various underwater diving and photography endeavors on a free-lance basis. Beginning in approximately 1967, Mr. Miller started working on the development of the underwater lights and hydrostatic tester described elsewhere herein. Mr. Miller will devote his full-time to the business and affairs of the Company.

These representations give a misleading picture of Miller's business experience and leave the impression of greater education and experience in the field of oceanography and related activities than Miller possesses. Miller has a high school education and made his living from 1948 to 1967 as an automobile salesman and wholesaler of used cars. Diving and photography were non-business interests until about 1966 or 1967 when an insurance company engaged him to do some filming of a sunken ship. Miller then started part-time to undertake filming of underwater subjects as an independent contractor. These additional facts regarding Miller's education and his experience in the field of oceanography will have to be disclosed before the offering circular can be found to fairly inform a prospective investor about Miller's qualifications.

Omission of Required Financial Statements.

Although the response to Item 2(a) of the notification as amended names Miller and Chester as predecessors of OVI, financial statements of these predecessors were not submitted with the filing as required by Item 11 of Schedule I under Regulation A. When the omission was noted by ARO, a request that such financial statements be furnished was included first in ARO's letter of comment dated July 17, 1969 and then again in the one dated September 12, 1969, to no avail.

In view of the requirement under Regulation A that financial statements of predecessors be included in the offering circular, it follows from the omission of those statements that the offering circular does not meet the terms and conditions of Regulation A. Berne's attempts to justify the failure to include such statements on the basis that the term "predecessor" for purposes of the notification has a different meaning than when used in connection with Item 11 of Schedule I are rejected. The term "predecessor" is defined under Rule 251 of Regulation A and the meaning of that term as set out under the rule is the same wherever the term is used under Regulation A. If, as OVI's accountant testified, relevant financial information about the predecessors could not be reconstructed, then at least that fact and the reasons therefor should have been disclosed in the offering circular.

Use of Proceeds.

If all 60,000 shares of the proposed offering were sold, OVI anticipates that it would receive \$229,000. In the offering circular, the use of that money is accounted for in an itemized list in which \$35,860 is assigned to "Working Capital." A footnote to that entry states:

The amount designated as working capital is intended to be used for: rental costs (estimated at \$8,400 per annum); salaries of additional production help, when required (estimated at \$15,000); and general operating overhead (estimated at \$12,000 per annum).

As contended by the Division, the representations under "Use of Proceeds" are inadequate and misleading in possibly duplicating under the uses for working capital those items otherwise listed as "Anticipated Rental of Facilities \$2,500" and "Boat Rental \$10,000." If there is an additional sum allocable to the specific rental items, the offering circular should reflect the full amount thereof; if some other type of rental expense is anticipated, the \$8,400 should be removed from "Working Capital" and shown separately under an appropriate caption. Further, the uses other than rental costs to which those portions of "Working Capital" amounting to nearly 12% of the net proceeds are to be put, must be itemized. Item 6(a) of Schedule I of Regulation A calls for a "reasonably itemized statement" of purposes to which proceeds are to be applied, and lumping a significant portion

of the expected proceeds under a catch-all item of "Working Capital" does not meet that requirement.

SECTION 17(a) OF THE SECURITIES ACT.

As found above, the offering circular filed October 23, 1969 intended for use in OVI's proposed offering contains materially false and misleading statements concerning the company, its principals, and its present and proposed activities. The use of the offering circular in connection with the offer or sale of OVI's common stock therefore would operate as a fraud and deceit upon purchasers in violation of Section 17(a) of the Securities Act.

FAILURE TO COOPERATE

The record establishes that on three occasions, first in response to the initial Regulation A filing and twice again after amendments and revisions were filed, ARO sent letters of comment to OVI and its counsel and to counsel for the underwriter seeking additional information and clarification of statements set forth in OVI's filings. The record further establishes that the requests of ARO were largely ignored or respected only to the extent that was deemed advisable by the issuer or underwriter. The results of the efforts of ARO to obtain necessary information in connection with OVI's filings short of this proceeding have been negligible and the little information that was elicited from Miller, Chester,

and OVI's accountant during the hearing has made further evident the need for the very information earlier sought by ARO. The failure of the issuer and underwriter to appropriately respond to the repeated and proper requests of ARO must be viewed as an obdurate refusal to comply with those requests and a failure to cooperate.^{8/}

CONCLUSION

In view of the noted deficiencies in OVI's notification as amended and its last revised offering circular and the failure of the issuer and underwriter to cooperate with the Commission, it is concluded that the temporary suspension of the exemption of the issuer under Regulation A should be made permanent.^{9/}

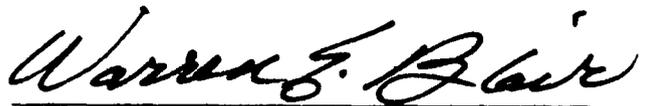
Accordingly, IT IS ORDERED, pursuant to Rule 261 of Regulation A under the Securities Act of 1933, that the exemption from registration under Regulation A with respect to the proposed public offering of securities by Oceanographic Ventures, Inc., be, and it hereby is, permanently suspended.

This order shall become effective in accordance with and subject to the provisions of Rule 17(f) of the Rules of Practice.

^{8/} Cf. Salesology, Inc., 38 S.E.C. 812 (1959).

^{9/} All proposed findings and conclusions submitted by the parties have been considered, as have their contentions. To the extent such proposals and contentions are consistent with this initial decision, they are accepted.

Pursuant to Rule 17(f) of the Rules of Practice, this initial decision shall become the final decision of the Commission as to each party who has not, within fifteen days after service of this initial decision upon him, filed a petition for review of this initial decision pursuant to Rule 17(b), unless the Commission, pursuant to Rule 17(c), determines on its own initiative to review this initial decision as to him. If a party timely files a petition for review, or the Commission takes action to review as to a party, the initial decision shall not become final with respect to that party.



Warren E. Blair, Hearing Examiner

Washington, D.C.
May 7, 1970