

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 3412/December 17, 2015

ADMINISTRATIVE PROCEEDING  
File No. 3-16967

In the Matter of

JAMES L. ERWIN AND  
JOINT VENTURE SOLUTIONS, INC.

ORDER GRANTING MOTION  
TO AMEND ORDER INSTITUTING  
PROCEEDINGS

On November 23, 2015, the Securities and Exchange Commission issued an Order Instituting Proceedings (OIP) pursuant to Section 15(b) of the Securities Exchange Act of 1934. The Division of Enforcement moves to amend the OIP under Rule of Practice 200(d)(2) and submitted a proposed amended OIP. *See* 17 C.F.R. § 201.200(d)(2).

Amendment of the OIP by the hearing officer is appropriate because the amendments correct the allegations, conform the allegations to the facts that the Division will seek to establish, and are within the scope of the original OIP. *See id.*; Rules of Practice, 60 Fed. Reg. 32738, 32757 (June 23, 1995) (comment to Rule 200(d)(2)). As flagged in my prior order, the original OIP's allegations were inconsistent with Section 15(b)(6), under which a sanction may be imposed only if, as relevant here, Respondents were persons who, at the time of the alleged misconduct, were associated or were seeking to become associated with a broker or dealer. *See* 15 U.S.C. § 78o(b)(6); *James L. Erwin*, Admin. Proc. Rulings Release No. 3349, 2015 SEC LEXIS 4873 (Nov. 25, 2015). The amendments resolve this defect and provide additional detail regarding the federal court proceeding that is a predicate to this administrative proceeding, including an allegation that a federal court found that Respondents acted as unregistered brokers or dealers. Given the early stage of this proceeding, Respondents will not be prejudiced.

Accordingly, the Division's motion is GRANTED. Per the attached exhibit, section II of the original OIP is AMENDED. The other sections of the original OIP are unaffected by this order.

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Jason S. Patil  
Administrative Law Judge

## **Exhibit: Amendment to OIP**

### **Section II**

After an investigation, the Division of Enforcement alleges that:

#### **A. RESPONDENTS**

1. From fall 2009 through summer 2011, James L. Erwin, resident of Las Vegas, Nevada, was the sole owner, officer, and employee of Joint Venture Solutions, Inc., a Nevada company. Erwin and Joint Venture Solutions have never been, and have never applied with the Commission to be, a registered securities broker or dealer, nor has Erwin ever been associated with any registered broker or dealer. During the time in which they engaged in the conduct underlying the complaint described below, neither Erwin nor Joint Venture Solutions was registered with the Commission in any capacity.

#### **B. ENTRY OF THE INJUNCTION**

2. On July 7, 2015, the United States District Court for the District of Nevada entered a final judgment against Respondents in the civil action entitled Securities and Exchange Commission v. James Erwin, et al., Civil Action No. 2:14-CV-623. In doing so, the Court found that Respondents acted as unregistered brokers or dealers in violation of Section 15(a) of the Securities and Exchange Act of 1934, and sold unregistered securities in violation of Sections 5(a) and 5(c) of the Securities Act of 1933. As a result of these violations, and in addition to ordering other relief, the Court permanently enjoined Respondents from future violations of Section 15(a) of the Exchange Act and Sections 5(a) and 5(c) of the Securities Act.

3. The Commission's complaint alleged that, from fall 2009 to summer 2011, Respondents acted as unregistered brokers or dealers when they solicited potential investors for two fraudulent advance-fee high-yield investment programs offered by Switzerland-based Malom Group AG ("Malom"). Respondents successfully solicited at least five investors into the two programs, who collectively invested approximately \$2,575,000. These investors lost all of their invested funds. For recruiting these investors, Respondents were compensated with a percentage of each investment, receiving a total of \$210,000 in transaction-based compensation.

4. By virtue of the conduct alleged in the complaint and in a motion for summary judgment, the Court found that Respondents violated Section 15(a)(1) of the Exchange Act by acting as unregistered brokers or dealers. The Court also found that Respondents violated Section 5(a) and (c) of the Securities Act by offering and selling to investors unregistered securities that did not qualify for an exemption from the registration requirements.