

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10254 / November 14, 2016

SECURITIES EXCHANGE ACT OF 1934
Release No. 79300 / November 14, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17676

In the Matter of

OTC GLOBAL PARTNERS, LLC
and RAIMUNDO DIAS,

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF
THE SECURITIES ACT OF 1933
AND SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF
1934, MAKING FINDINGS, AND
IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-
DESIST ORDER, AND NOTICE OF
HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”), against Raimundo Dias and OTC Global Partners, LLC (collectively, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are

admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order, and Notice of Hearing (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offer, the Commission finds¹ that:

A. RESPONDENTS

1. **Dias**, 45 years old, resides in Boca Raton, Florida, and is the sole manager of OTC Global Partners, LLC. Dias participated in an offering of a penny stock.

2. **OTC Global Partners, LLC** is a Florida limited liability company currently located in Boca Raton, Florida. It provided investor relations services to small-cap publicly traded companies several years ago, and since that time, has been occasionally utilized by Respondent Dias to purchase and sell securities for its own account.

B. SUMMARY

1. On July 14, 2011, the former CEO (“Former CEO”) of a company (“Issuer A”) took over Issuer A’s predecessor company, which was in the HVAC / plumbing industry. At the time, the only officer of the predecessor company was Shareholder A. Shareholder A entered into a stock purchase agreement on behalf of the predecessor company with the Former CEO and turned over the business to him. The Former CEO subsequently changed the company’s name and business model several times, ultimately settling on the name Issuer A.

2. While Shareholder A was winding down the predecessor company’s business affairs, he received convertible notes in lieu of a \$150,000 annual salary that was due to him. As the company’s sole officer, he issued and signed notes to himself for the years 2008 through 2010, and each note represented \$150,000 in salary due to Shareholder A, for a total of \$450,000. These notes were convertible into shares of stock at a conversion rate of \$0.0001, allowing the note holder to convert every dollar of debt to 10,000 shares. Accordingly, these three notes entitled Shareholder A to 4.5 billion Issuer A shares. Based on this conversion rate, Shareholder A was a beneficial owner of Issuer A stock during the relevant time period.

3. On March 8, 2013, at the Former CEO’s suggestion, Shareholder A assigned a \$50,000 portion of his 2009 convertible note to Respondents in exchange for \$3,334.

4. From March 2013 through March 8, 2014, Respondents converted the note assignment into millions of free-trading Issuer A shares that they sold into the market. No

¹ The findings herein are made pursuant to Respondents’ Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

registration statement was filed as to any of the shares that Respondents converted and subsequently sold into the public market, and no exemption from registration was applicable to the transactions.

5. Through the sale of Issuer A stock, Respondents reaped illegal stock sale proceeds of \$39,241.

6. As a result of the conduct described above, Respondents willfully violated Sections 5(a) and 5(c) of the Securities Act, which prohibit any person from using the mails or any means or instrumentality of interstate commerce to sell a security when a registration statement is not in effect for that security, or to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security when a registration statement has not been filed as to such security.

IV.

Pursuant to this Order, Respondent Dias agrees to additional proceedings in this proceeding to determine whether, pursuant to Section 15(b) of the Exchange Act, it is in the public interest to bar Dias from participating in any offering of a penny stock, including acting as a promoter, finder, consultant, agent, or other person who engages in activities with a broker, dealer, or issuer for the purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock. In connection with such additional proceedings: (a) Dias agrees that he will be precluded from arguing that he did not violate the federal securities laws described in this Order; (b) Dias agrees that he may not challenge the validity of this Order; (c) solely for the purposes of such additional proceedings, the allegations of the Order shall be accepted as and deemed true by the hearing officer; and (d) the hearing officer may determine the issues raised in the additional proceedings on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence.

V.

In view of the foregoing, the Commission deems it appropriate, in the public interest, to impose the sanctions agreed to in Respondents' Offer.

Accordingly, pursuant to Section 8A of the Securities Act and Section 15(b) of the Exchange Act, it is hereby ORDERED that:

A. Respondents cease and desist from committing or causing any violations and any future violations of Sections 5(a) and (c) of the Securities Act.

B. Respondents shall pay, jointly and severally, disgorgement of \$39,241, prejudgment interest of \$3,258.17, and a civil money penalty in the amount of \$45,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments:

- 1) \$42,499.17 within 14 days of the entry of this Order;
- 2) \$11,250 within 3 months of the entry of this Order;
- 3) \$11,250 within 6 months of the entry of this Order;
- 4) \$11,250 within 9 months of the entry of this Order;
- 5) \$11,250 within 12 months of the entry of this Order.

If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of disgorgement, prejudgment interest, and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 and/or pursuant to 31 U.S.C. § 3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying themselves as Respondents in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Glenn S. Gordon, Associate Regional Director, Securities and Exchange Commission, Miami Regional Office, 801 Brickell Avenue, Suite 1800, Miami, FL 33131.

Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an

additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

VI.

IT IS FURTHER ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section IV hereof shall be convened not earlier than thirty (30) days and not later than sixty (60) days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission’s Rules of Practice, 17 C.F.R. § 201.110.

VII.

If Respondent Dias fails to appear at a hearing after being duly notified, Dias may be deemed in default and the proceedings may be determined against him upon consideration of this Order, prehearing conference or Rules 155(a), 221(f), and 310 of the Commission’s Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.221(f), and 201.310.

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 120 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission’s Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission’s Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not “rulemaking” within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

VIII.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent Dias, and further, any debt for disgorgement, prejudgment interest, civil penalty or

other amounts due by Dias under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Dias of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary