

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

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 3349/November 25, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16967

In the Matter of

JAMES L. ERWIN AND
JOINT VENTURE SOLUTIONS, INC.

ORDER POSTPONING HEARING
AND NOTICE TO PARTIES

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. In pertinent part, the OIP alleges that Respondent James L. Erwin “was not associated with any broker or dealer.” OIP ¶ 4; *see id.* ¶ 1 (“[N]or has Erwin ever been associated with any broker or dealer.”).

A sanction under Section 15(b)(6) requires a threshold finding that a respondent is

[a] person who is associated, who is seeking to become associated, or, at the time of the alleged misconduct, who was associated or was seeking to become associated with a broker or dealer, or [a] person participating, or, at the time of the alleged misconduct, who was participating, in an offering of any penny stock

15 U.S.C. § 78o(b)(6).

The Division may have intended for the OIP to simply allege that Respondents acted as unregistered brokers. *See James Lee Erwin*, 2:14-cv-623, 2015 WL 3980022, at *1 (D. Nev. June 29, 2015) (“The SEC has presented evidence on the merits of its case, including evidence that the defendants acted as brokers but are not registered brokers”); *Tzemach David Netzer Korem*, Exchange Act Release No. 70044, 2013 SEC LEXIS 2155, at *32 (July 26, 2013) (the Commission is “authorized to sanction an associated person of an unregistered broker-dealer or investment adviser in a follow-on administrative proceeding”). But the OIP, as it stands, is facially inconsistent with the prerequisite for a Section 15(b)(6) sanction.

Accordingly, the Division of Enforcement shall file a letter by December 9, 2015, informing this Office whether it intends to seek amendment of the OIP or, if not, how it intends to proceed. The hearing currently scheduled for December 28, 2015, is POSTPONED.

Jason S. Patil
Administrative Law Judge