

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9613 / July 16, 2014

SECURITIES EXCHANGE ACT OF 1934
Release No. 72616 / July 16, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15973

In the Matter of

TONEY ANAYA,

Respondent.

**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 Toney Anaya (“Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has 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 him and the subject matter of these proceedings, which are admitted, Respondent consents 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 Respondent’s Offer, the Commission finds¹ that:

Summary

From in or about August 2009 through January 24, 2011, Respondent served as Chairman and Chief Executive Officer of Natural Blue Resources, Inc. (“Natural Blue”), an issuer that filed periodic and other reports with the Commission that omitted material information concerning purported outside consultants James E. Cohen (“Cohen”) and Joseph A. Corazzi (“Corazzi”). While the public filings signed by Respondent in his capacity as Chairman and CEO of Natural Blue disclosed the consultants’ agreement with Natural Blue, those filings failed to disclose both the consultants’ disciplinary histories and the fact that Cohen and Corazzi were *de facto* officers of Natural Blue. Respondent knew of Cohen’s criminal history and Corazzi’s regulatory history at the time he signed filings submitted by Natural Blue to the Commission, and also knew, when signing those filings, that both Cohen and Corazzi exercised substantial influence and control over Natural Blue as *de facto* officers. Through this conduct, Respondent negligently violated Section 17(a)(2) of the Securities Act by failing to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

Respondent

1. Respondent was the Chief Executive Officer and Chairman of the Board of Natural Blue from August 2009 until his resignation from Natural Blue on January 24, 2011. During that period, Natural Blue filed periodic and interim reports with the Commission. Respondent, 73 years old, lives in Santa Fe, New Mexico, and is a former Governor and former Attorney General for the state of New Mexico. Respondent is presently an attorney licensed to practice law in New Mexico.

2. Respondent participated in an offering of Natural Blue stock, which is a penny stock.

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

Other Relevant Entities

3. Natural Blue was a Delaware corporation with its principal place of business in Woburn, Massachusetts. Natural Blue's securities formerly traded on the Over-the-Counter Bulletin Board under the ticker symbol NTUR. In July 2009, a private Nevada corporation founded by James E. Cohen ("Cohen") and Joseph A. Corazzi ("Corazzi") was merged into the company, resulting in a change of control of Natural Blue. Natural Blue's corporate charter was declared forfeited by the Delaware Secretary of State in November 2010 due to failure to maintain a registered agent, and the company has not filed a periodic report with the Commission since it filed a Form 10-Q report for the quarterly period ended September 30, 2010 (originally filed in November 2010 and amended in February 2011).

4. JEC Corp., incorporated in Nevada in May 2002, was a privately-held company organized to engage in consulting work. JEC Corp.'s principal place of business was Windermere, Florida, and it was owned by James E. Cohen, who was its president, and his family. JEC Corp.'s corporate status has been revoked by the Florida Secretary of State.

Other Relevant Persons

5. James E. Cohen, age 58, is a resident of Windermere, Florida, and a purported consultant to Natural Blue through JEC Corp. Cohen was a registered representative for various broker-dealer firms from 1987 to 1997 and subsequently was barred from association with broker-dealers by the Financial Industry Regulatory Authority. On April 5, 2004, the Supreme Court of the State of New York sentenced Cohen to prison for a term of one to three years and ordered him to pay \$545,000 in restitution following his guilty pleas to the crimes of attempted enterprise corruption and attempted grand larceny in the first degree.

6. Joseph A. Corazzi, age 63, is a resident of Albuquerque, New Mexico, and a purported consultant to Natural Blue through JEC Corp. From 1990 to 1999, Corazzi served as Chairman and Chief Executive Officer of Las Vegas Entertainment Network, Inc., a public company registered with the Commission that was sued by the Commission for fraudulently overstating its assets. On October 24, 2002, the Commission obtained a final judgment against Corazzi that permanently enjoined him from violating the antifraud provisions of the federal securities laws, imposed a civil penalty of \$75,000, and barred him permanently from acting as an officer or director of a public company.²

Background

7. From August 2009 through January 2011 ("the relevant period"), Respondent was the Chief Executive Officer and Chairman of the Board of Natural Blue. Natural Blue, a privately-held Nevada company, went public in August 2009 through a reverse merger with Datameg Corporation ("Datameg"). Following the reverse merger with Natural Blue (Nevada), Datameg changed its name to Natural Blue, and Respondent became the Chairman and CEO of the public company then known as Natural Blue (Delaware). Natural Blue's purported

² *SEC v. Las Vegas Entertainment, et al.*, 2:02-cv-07852-JFW-FMO (C.D. Cal.), Lit. Rel. 17779 (October 9, 2002).

mission was to create, acquire or otherwise invest in environmentally-friendly companies. An early initiative undertaken by Natural Blue was to locate, purify, and sell water recovered from underground aquifers in New Mexico and elsewhere, where water resources are depleting. This was an idea formulated by, among others, Respondent, a former governor of New Mexico.

8. Shortly after Natural Blue became public, in November 2009, Cohen and Corazzi (through JEC Corp.) became so-called “consultants” to Natural Blue through two agreements approved by Natural Blue’s board of directors. The agreements were, in essence, a fig leaf promoted by Cohen and Corazzi to disguise the real roles of Cohen and Corazzi – namely, as *de facto* officers of Natural Blue.

9. Natural Blue had no revenues, since the company never generated any income through the water purification business, its acquisitions of “green” technology and equipment, or any other line of business. Natural Blue used office space at a facility in Florida owned by a Cohen company and where Cohen had a private office. Virtually all of the officers and directors first appointed at Natural Blue after it became a public company were recommended to the board by Cohen and Corazzi (who had installed their associates on the board when Natural Blue was still private.)

10. From the time of inception, Cohen and Corazzi exercised significant influence over Natural Blue – indeed, it was Cohen who orchestrated a reverse merger in August 2009 that resulted in Natural Blue going public -- but because their disciplinary histories precluded them from serving as officers or directors of a public company, Cohen and Corazzi pressured the board of directors and Natural Blue executives into approving the consultancy agreements with JEC Corp..

11. While Respondent was Chief Executive Officer of Natural Blue from August 2009 to January 24, 2011, Cohen and Corazzi’s active involvement in the day-to-day management of Natural Blue dramatically lessened Respondent’s influence or practical ability to effect decisions. For example, Respondent was unable to obtain a copy of the company’s financial records from the Natural Blue Chief Financial Officer (an associate of Cohen’s with whom Cohen shared office space). In fact, towards the end of Respondent’s tenure, Cohen and Corazzi essentially orchestrated a total change of corporate control for Natural Blue, without involving Respondent in any of the negotiations. While Respondent repeatedly clashed with Cohen and Corazzi, and at various points attempted to limit Cohen and Corazzi’s involvement in Natural Blue, Cohen and Corazzi continued to wield substantial influence over the company notwithstanding Respondent’s efforts. Accordingly, Respondent’s control of nearly all day-to-day management issues was usurped by Cohen and Corazzi until his resignation in January 2011.

12. Respondent deferred to Cohen and Corazzi and allowed these so-called “consultants” to dictate the company’s affairs -- despite knowing (prior to becoming the CEO of Natural Blue) that Corazzi had been barred by the Commission from serving as an officer or director of a public company, and having learned of Cohen’s incarceration in or about April 2010, prior to the filing of the first of Natural Blue’s three Form 10-Q quarterly reports for 2010.

13. Due in part to Respondent's negligence, Natural Blue failed to disclose publicly during the relevant period the degree of influence that Cohen and Corazzi exercised as *de facto* officers of the company, including the extent of their involvement in its creation, selection of officers and directors, policy making, and management. Natural Blue also failed to disclose Cohen's conviction and Corazzi's permanent officer and director bar and permanent injunction against further violations of the antifraud provisions. In fact, Corazzi is not mentioned in any Natural Blue filing, and Cohen's involvement is disclosed only indirectly.

14. Natural Blue's Form 10-K for the year ended December 31, 2009 (the "10-K") discloses that, in November 2009, Natural Blue entered into a Management Agreement and an Advisory Agreement with JEC. However, it states only that JEC "is owned by one of our shareholders and the shareholder is related to one of our consultants." The 10-K does not specifically identify Cohen nor does it disclose the fact that he recently had served time in state prison for committing the felonies of attempted enterprise corruption and attempted grand larceny in the first degree. The same materially incomplete disclosure about the Management Agreement and the Advisory Agreement with JEC was included in the company's Form 10-Q filings for the first three quarterly periods of 2010.

15. Respondent approved and signed all of Natural Blue's filings as CEO from November 23, 2009 to November 16, 2010.

Violations

16. As a result of the conduct described above, Respondent willfully³ violated Section 17(a)(2) of the Securities Act [15 U.S.C. §§ 77q(a)(2)] which prohibits fraudulent conduct in the offer or sale of securities.

IV.

Pursuant to this Order, without admitting or denying the findings contained herein, Respondent agrees to additional proceedings in this proceeding to determine what, if any, civil penalties pursuant to Section 8A(g) of the Securities Act and Section 21(B)(a) of the Exchange Act against Respondent are in the public interest. In connection with such additional proceedings: (a) Respondent agrees that he will be precluded from arguing that he did not violate the federal securities laws as described in this Order; (b) Respondent agrees that he may not challenge the validity of this Order; (c) solely for the purposes of such additional proceedings, the findings of this 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.

³ A willful violation of the securities laws means merely "that the person charged with the duty knows what he is doing." *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

V.

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

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

A. Respondent cease and desist from committing or causing any violations and any future violations of Section 17(a)(2) of the Securities Act.

B. Respondent be, and hereby is, barred 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 purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock, with the right to apply for reentry after (5) years to the appropriate self-regulatory organization or, if there is none, to the Commission.

C. Any reapplication for association by Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

IT IS FURTHER ORDERED, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), in the interest of justice and without prejudice to any party to the proceeding, that a public hearing for the purpose of taking evidence on the questions set forth in Section IV hereof shall be convened at a time and place to be fixed by, and before, the Administrative Law Judge assigned to the proceedings instituted against Natural Blue, Cohen and Corazzi on today's date (the "Natural Blue Proceedings").

If Respondent fails to appear at a hearing after being duly notified, Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f), and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310.

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

IT IS FURTHER ORDERED, pursuant to Rule 100(c) of the Commission's Rules of Practice, 17 C.F.R. § 201.100(c), in the interest of justice and without prejudice to any party to the

proceeding, that the Administrative Law Judge shall issue an initial decision no later than 120 days from the date of an initial decision in the Natural Blue Proceedings, or from the date of any order of the Commission accepting an offer of settlement in the Natural Blue Proceedings.

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 “rule making” 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.

By the Commission.

Jill M. Peterson
Assistant Secretary