

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



In the Matter of

NATURAL BLUE
RESOURCES, INC., JAMES
E. COHEN, AND JOSEPH
A. CORAZZI,

Respondents.

Administrative Proceeding

File No. 3-15974

**MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF
MOTION TO WITHDRAW AS COUNSEL**

Respectfully submitted,

THE WAGGONER LEGAL GROUP

By

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TABLE OF CONTENTS

	PAGE
1. TABLE OF CONTENTS.....	2
2. TABLE OF CASES AND AUTHORITIES.....	3
3. I. BACKGROUND AND PROCEDURAL HISTORY.....	4,5
4. II. THE ADMINISTRATIVE LAW JUDGE SHOULD EXERCISE SOUND DISCRETION AND GRANT THE MOTION TO WITHDRAW AS COUNSEL	6,7
5. III. CONCLUSION.....	7
6. CERTIFICATE OF SERVICE.....	8,9

TABLE OF CASES AND AUTHORITIES

<u>1. Table of Cases:</u>	<u>PAGE</u>
a. <i>United States v. Johnson</i> , 114 F.3d 435, 442 (4 th Cir. 1997)	6
b. <i>United States v. Mullin</i> , 32 F.3d 891, 895 (4 th Cir. 1994).....	6
c. <i>United States v. Gallup</i> , 838 F.2d 105, 108 (4 th Cir. 1988).....	6
d. <i>United States v. Horton</i> , 693 F. 3d 463, 467 (4 th Cir. 2012).....	6
e. <i>United States v. Thomas Blackledge</i> , (4 th Cir. 2014)(Case No. 12-7419).....	7
f. <i>United States v. Reevey</i> , 364 F.3d 151, 156 (4 th Cir. 2004).....	7

2. Table of Authorities

a. SEC Rules of Practice, Rule 201.15x.....	1
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COMES NOW, Robert M. Strumor and William, The Waggoner Legal Group, and pursuant to the Securities and Exchange Commission's Rules of Practice ("Rule 201.154") submits their Memorandum of Points and Authorities in Support of Motion to Withdraw as Counsel, as follows:

I.

BACKGROUND AND PROCEDURAL HISTORY

1. On July 16, 2014, the Securities and Exchange Commission (the "Commission"), filed its Order Instituting Cease-And-Desist Proceedings pursuant to Section 8A of the Securities Act of 1933, and Sections 15(b) and 21C of the Securities Exchange Act of 1934 and Notice of Hearing (the "Order"), which commenced this proceeding against Natural Blue Resources, Inc. ("Natural Blue"), James E. Cohen ("Cohen") and Joseph A. Corazzi ("Corazzi")
2. The Commission has filed the Division of Enforcement's Motion for Entry of Default and Imposition of Sanctions Against Respondent Natural Blue Resources, Inc. The

Commission entered its Order to Show Cause on November 5, 2014, requiring Natural Blue to respond by November 14, 2014 or face sanctions and civil penalties. Therefore, Natural Blue may no longer a party to this action.

3. The charges against Corazzi are that he willfully violated Section 17(a)(1) and 17(2) of the Securities Act, and Section 10(b) of the Exchange Act, and Rules 10b-5(a) and 10b-5(c) thereunder, which prohibit fraudulent conduct in connection with the purchase and sale of securities by engaging in a device, scheme and/or artifice to defraud and/or engaging in a transaction, practice and/or course of business which operated, or would have operated, as a fraud or deceit upon the purchaser.

4. The Commission has alleged that Natural Blue, Cohen and Corazzi violated these laws and regulations by creating and operating Natural Blue as a vehicle for Cohen and Corazzi to control and profit from the company, while failing to disclose their roles as *de facto* officers or their past criminal and regulatory violations to potential investors. The charge also claims that both Cohen and Corazzi knew or were reckless in not knowing that they committed deceptive acts in furtherance of this fraudulent scheme. See Section L. Violations, of the Order.

5. Respondent Corazzi timely filed his Answer of Respondent Joseph Corazzi (the "Answer") on August 18, 2014.

6. Respondent Corazzi timely filed his Motion for a More Definite Statement and/or Motion for Summary Dismissal of Charges on November 6, 2014.

7. The Commission filed its Response on November 18, 2014.

II.

THE ADMINISTRATIVE LAW JUDGE SHOULD EXERCISE SOUND DISCRETION AND GRANT THE MOTION TO WITHDRAW AS COUNSEL

8. The Federal courts have found that a motion to withdraw as counsel is within the sound discretion of the trial judge and that the review of the denial of a motion to withdraw will be reviewed to determine if the trial judge abused that discretion. *United States v. Johnson*, 114 F. 3d 435, 442 (4th Cir. 1997) (citing *United States v. Mullin*, 32 F. 3d 891, 895 (4th Cir. 1994).

9. In the present case before the Administrative Law Judge, the Movants contend that the same standard applies to its Motion to Withdraw. *United States v. Johnson, Supra*.

10. In deciding whether a trial judge has abused that discretion, the reviewing courts consider the timeliness of the motion, the adequacy of the inquiry by the lower court's inquiry and the breakdown in the attorney client relationship. *United States v. Gallup*, 838 F. 2d 105, 108 (4th Cir. 1988) and *United States v. Horton*, 693 F. 3d 463,467 (4th Cir. 2012).

11. In the case at bar, the Movants have stated that the attorney client relationship between the attorneys of The Waggoner Legal Group has deteriorated to the point that they can no longer affectively represent Respondent Joseph A. Corrazi.

12. The counsel for the Commission has taken no position on the Motion and, for that reason, counsel's Motion to Withdraw is not contested by the Commission or any other party to Movant's knowledge.

13. Furthermore, the granting of counsel's Motion to Withdraw will not delay or impede the progression of this case nor will it delay the hearing in this matter now scheduled for February 9, 2015.

14. The Movants argue that their Motion to Withdraw meets the test prescribed in *United States v. Gallup, Supra*. The Motion is timely, it is neither supported nor opposed by counsel for the Commission, which in the Movants opinion, means that their Motion is not opposed, and the breakdown in the attorney client relationship between the Movants and Respondent Corazzi is not being contested.

15. In the case of *United States of America v. Thomas Blackledge*, (4th Cir. 2014), (Case No. 12-7419, Decided May 5, 2014), at 24, the Court of Appeals for the Fourth Circuit overturned the district court's denials of the movants Motion to Withdraw as counsel finding that the lower court abused its discretion and further found that the lower court's abuse of discretion was not harmless error. *Id.* at 24.

16. The Movants urge the Administrative Law Judge in this case to adopt the reasoning followed by the Court of Appeals in the Fourth Circuit, exercise sound discretion and grant the Movants' Motion to Withdraw as Counsel to Respondent Joseph A. Corazzi. *United States v. Reevey*, 364 F. 3d. 151, 156 (4th Cir. 2004).

III.

CONCLUSION

For all of the foregoing reasons, the Movants respectfully request that they be permitted to withdraw as counsel for Respondent Joseph A. Corazzi.

Respectfully submitted,

THE WAGGONER LEGAL GROUP

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served on the following on this 25th day of November, 2014, in the manner indicated below:

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United States Securities and Exchange Commission
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Washington, DC 20549-2557

Overnight Delivery

The Honorable Carol Fox Foelak
Administrative Law Judge
Securities and Exchange Commission
100 F. Street, N.E.
Washington, DC 20549

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Honorable Brenda P. Murray
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A handwritten signature in blue ink, appearing to read 'R. M. Strumor', written over a horizontal line.

Robert M. Strumor