



**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING
File No. 3-15974**

In the Matter of

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

Respondents.

**DEFENDANT'S MEMORANDUM OF LAW IN SUPPORT OF MOTION IN LIMINE
TO LIMIT TESTIMONY TO PERIOD THROUGH ALLEGED FALSE FILINGS**

Pursuant to Rule 321 of the Rules of Practice of the United States Securities and Exchange Commission, Respondent James Cohen submits this memorandum in support of his motion to limit testimony to the period of time during which the allegedly false filings occurred, i.e., through February 2011.

As discussed below, the Division in this case is claiming that Respondents James Cohen and Joseph Corazzi are liable for allegedly false SEC filings of Natural Blue Resources, Inc. (“NBR”). According to the Division, the filings are false in that they describe the management of NBR and identify Mr. Cohen not as an officer or director but as a consultant. Those allegedly false filings occurred during the period August 2009 through February 2011.

After February 2011 there were a series of events at Natural Blue involving the individuals who took over NBR in connection with an acquisition of Atlantic Acquisitions in January 2011. The Chief Executive Officer of NBR, Erik Perry, apparently engaged in false statements regarding the business of Atlantic that were designed, at least in part, to induce NBR to proceed with the acquisition. Eventually, in June 2011, he was removed by the NBR Board of Directors and he has since entered into a settlement with the Division in connection with his various false statements.

The Division has made clear to Respondent’s counsel that it does not seek to attribute those false statements regarding the Atlantic/NBR steel business to Mr. Cohen.

Because the last of the filings at issue in this case occurred in February 2011, Respondent maintains that *subsequent* events – particularly those that occurred months later – are not relevant to this proceeding. The issue here is whether, when Erik Perry certified and caused the filing of the Form 10-Q in February 2011, the description of Respondents and their roles was false, and whether Mr. Perry did so pursuant to some scheme with Mr. Cohen to conceal Mr.

Cohen's role. Events that occurred months later are not relevant or reliable evidence on that point and should be excluded under Rule 320.

Further, exploration of the issues relating to Mr. Perry's tenure as the Chief Executive Officer of NBR, and his ultimate removal, will involve a trial unto themselves. To the extent that the Division seeks to bring out evidence regarding Perry's eventual removal, it will be incumbent on Respondents to then elicit evidence regarding Perry's false statements to prior NBR management, the Board's loss of trust in him, and his effort to put in place an agreement that would have provided substantial benefits to his colleague, Eric Ross – benefits that the Board felt were entirely undeserved and inappropriate.¹ That these claims and counterclaims regarding Erik Perry should not be litigated in this proceeding is only underscored by the fact that the Division is not calling Mr. Perry as a witness, and so the extent of his misconduct and the bases for this removal will have to be proven through third parties.

Because those circumstances are not only time consuming but also wholly irrelevant to the issue of the alleged falsity of the February filing, we ask that the Court limit the Division's evidence to the period through February 2011.

¹ Division Exhibit No. 218, an Audio Recording and Transcript of June 3, 2011 conversations, should also be excluded because much of the recording was not properly authorized. Under Florida law, all parties to a communication must give prior consent for a recording to be lawful. Fla. Stat. § 934.03(2)(d) (2014); see also *Ibar v. State*, 938 So. 2d 451, 468 (Fla. 2006). Mr. Cohen, a participant in the June 3, 2011 communication, would testify that he did not authorize the recording of any communication that followed the conclusion of the June 3, 2011 Meeting of the Board of Directors of Natural Blue. It is black letter law that illegally obtained material may not be admitted as evidence at trial. See Fla. Stat. § 934.06 (2014) (recordings that violate Florida law may not be received into evidence).

Dated: February 3, 2015

Respectfully Submitted,

/s/

Maranda E. Fritz
Thompson Hine LLP
335 Madison Avenue
New York, New York 10017
212 908-3966

