

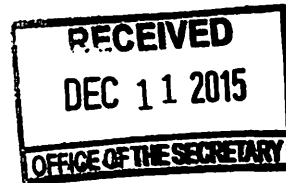
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16967

In the Matter of

JAMES L. ERWIN and
JOINT VENTURE SOLUTIONS,
INC.,

Respondents.



DIVISION OF ENFORCEMENT'S
MOTION AND MEMORANDUM IN SUPPORT OF MOTION TO AMEND OIP

The Division of Enforcement (“Division”), by counsel, pursuant to Rules of Practice 154(a) and 200(d)(2), respectfully moves the Court for an order amending the Order Instituting Proceedings (“OIP”) to clarify certain allegations that are within the scope of the original OIP, as described below. A proposed Amended OIP is attached hereto.

I. INTRODUCTION

On November 23, 2015, the Securities and Exchange Commission (“Commission”) issued an OIP against Respondents James L. Erwin and Joint Venture Solutions, Inc. (“Respondents”) pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”). The OIP alleged, in part, that on July 7, 2015, the U.S. District Court for the District of Nevada entered a final judgment against Respondents in the civil action entitled Securities and Exchange Commission v. James Erwin, et al., Civil Action No. 2:14-CV-623, that “permanently enjoin[ed] Respondents] from future violations of Sections 5(a) and 5(c) of the Securities Act of 1933 and

15(a) of the Securities and Exchange Act of 1934.” OIP ¶ II.B.2. The OIP also alleged that Respondent Erwin had never “been associated with a broker or dealer.” *Id.* ¶ II.A.1. In light of this statement, in an *Order Postponing Hearing and Notice to Parties* (Admin. Proceedings Rulings Rel. No. 3349 / Nov. 25, 2015), this Court found that the OIP failed to meet the prerequisites for a Section 15(b)(6) sanction, explaining that Section 15(b)(6) requires a threshold finding that a respondent is associated, seeking to become associated, or, at the time of his misconduct, were associated or seeking to become associated with a broker or dealer.

The Division intended to allege that Respondent Erwin had never been associated with any registered broker or dealer. He was, at the time of the misconduct, associated with Respondent Joint Venture Solutions, Inc., which was acting as an unregistered broker or dealer. The proposed amendments to the OIP are intended to cure this mistake, thus satisfying the threshold requirements of Section 15(b)(6). *See, e.g., John Kilpatrick*, Exchange Act Release No. 23251, 48 S.E.C. 481, 487 (May 19, 1986) (finding that Section 15(b)(6) permits the imposition of sanctions against persons associated with unregistered broker-dealers); *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”). Additionally, the proposed amendments are intended to make clear that Respondents were acting as unregistered brokers at the time of their misconduct.

II. ARGUMENT

The Division’s proposed amendments to the OIP are within the scope of Rule 200(d)(2), which permits the hearing officer to “amend an order instituting proceedings to include new matters of fact or law that are within the scope of the original order instituting proceedings.”

With regard to motions to amend the OIP, the Commission has stated:

Our general policy with respect to such motions is liberal. Where the purpose is merely to correct an error in pleading to conform the pleadings to the proof, or to take into account subsequent developments which should be considered in disposing of the proceeding, amendment should be freely granted, subject only to the consideration that other parties should not be surprised nor should their rights be prejudiced.

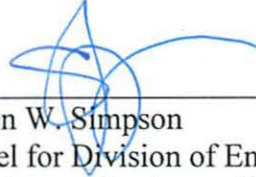
Carl L. Shipley, 45 S.E.C. 589, 595-96 (June 21, 1974) (footnotes omitted). In this case, the purpose of the OIP amendment is to correct an error in the original pleading which will conform the pleading to the proof that Respondents acted as unregistered brokers and that Respondent Erwin sought to associate himself with an unregistered broker, Respondent Joint Venture Solutions. These amendments fall well within the scope of the OIP, which detailed Respondent Erwin's relationship to Respondent Joint Venture Solutions, the broker activities they undertook between fall 2009 and summer 2011, and the injunctions entered against them for, among other violations of the securities laws, acting as unregistered brokers or dealers. Given the early stage in this proceeding, Respondents' rights will not be prejudiced by granting this motion, and the Court's postponement of the hearing initially scheduled for December 28, 2015 will mitigate any surprise caused by the proposed OIP amendments.

III. CONCLUSION

For the reasons set forth above, the Division respectfully requests that the Administrative Law Judge grant the Division's Motion to Amend OIP.

Dated: December 11, 2015

Respectfully submitted,



Stephen W. Simpson
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CERTIFICATE OF SERVICE


I, Stephen W. Simpson, certify that the foregoing letter and attachment was served on the following parties on December 11, 2015 via U.S. Mail, with a courtesy copy sent to the same via email, at the addresses below:

James L. Erwin

[REDACTED]
Las Vegas, NV [REDACTED]
[REDACTED]

Joint Venture Solutions, Inc.
c/o James L. Erwin

[REDACTED]
Las Vegas, NV [REDACTED]
[REDACTED]



Stephen W. Simpson
U.S. Securities & Exchange Commission
Division of Enforcement
100 F Street NE
Washington, DC 20549

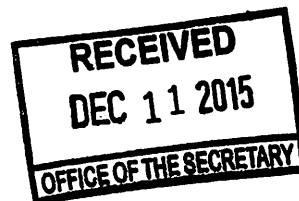
**UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING
File No. 3-16967**

In the Matter of

**JAMES L. ERWIN and
JOINT VENTURE SOLUTIONS,
INC.,**

Respondents.



**ATTACHMENT TO DIVISION OF ENFORCEMENT'S
DECEMBER 11, 2015 MOTION AND MEMORANDUM IN SUPPORT OF
MOTION TO AMEND THE OIP**

Proposed Amended OIP

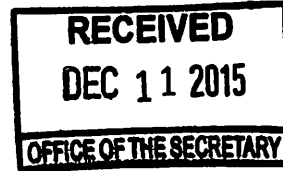
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No.

ADMINISTRATIVE PROCEEDING

File No. 3-16967



In the Matter of

**JAMES L. ERWIN and
JOINT VENTURE SOLUTIONS,
INC.,**

Respondents.

**AMENDED ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS AND
NOTICE OF HEARING PURSUANT TO
SECTION 15(b) OF THE SECURITIES
EXCHANGE ACT OF 1934**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") against James L. Erwin and Joint Venture Solutions, Inc. ("Respondents").

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. From fall 2009 through summer 2011, James L. Erwin, resident of Las Vegas, Nevada, was the sole owner, officer, and employee of Joint Venture Solutions, Inc., a Nevada company. Erwin and Joint Venture Solutions have never been, and have never applied with the Commission to be, a registered securities broker or dealer, nor has Erwin ever been associated with any registered broker or dealer. During the time in which they engaged in the conduct underlying the complaint described below, neither Erwin nor Joint Venture Solutions was registered with the Commission in any capacity.

B. ENTRY OF THE INJUNCTION

2. On July 7, 2015, the United States District Court for the District of Nevada entered a final judgment against Respondents in the civil action entitled Securities and Exchange Commission v. James Erwin, et al., Civil Action No. 2:14-CV-623. In doing so, the Court found that Respondents acted as unregistered brokers or dealers in violation of Section 15(a) of the Securities and Exchange Act of 1934, and sold unregistered securities in violation of Sections 5(a) and 5(c) of the Securities Act of 1933. As a result of these violations, and in addition to ordering other relief, the Court permanently enjoined Respondents from future violations of Section 15(a) of the Exchange Act and Sections 5(a) and 5(c) of the Securities Act.

3. The Commission's complaint alleged that, from fall 2009 to summer 2011, Respondents acted as unregistered brokers or dealers when they solicited potential investors for two fraudulent advance-fee high-yield investment programs offered by Switzerland-based Malom Group AG ("Malom"). Respondents successfully solicited at least five investors into the two programs, who collectively invested approximately \$2,575,000. These investors lost all of their invested funds. For recruiting these investors, Respondents were compensated with a percentage of each investment, receiving a total of \$210,000 in transaction-based compensation.

4. By virtue of the conduct alleged in the complaint and in a motion for summary judgment, the Court found that Respondents violated Section 15(a)(1) of the Exchange Act by acting as unregistered brokers or dealers. The Court also found that Respondents violated Section 5(a) and (c) of the Securities Act by offering and selling to investors unregistered securities that did not qualify for an exemption from the registration requirements.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act;

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened 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.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them 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 Respondents as provided for in the Commission's Rules of Practice.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

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.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary