

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9614 / July 16, 2014

SECURITIES EXCHANGE ACT OF 1934
Release No. 72617 / July 16, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15974

In the Matter of

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

Respondents.

**ORDER INSTITUTING ADMINISTRATIVE
AND 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**

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 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against Natural Blue Resources, Inc. (“Natural Blue” or “NTUR”), James E. Cohen (“Cohen”), and Joseph A. Corazzi (“Corazzi”) (collectively, the “Respondents”), and also pursuant to Section 15(b) of the Exchange Act against Cohen and Corazzi. Cohen and Corazzi participated in an offering of Natural Blue stock, which is a penny stock.

II.

After an investigation, the Division of Enforcement alleges that:

A. SUMMARY

This case is about a fraudulent scheme orchestrated by two recidivists, Respondents Cohen and Corazzi, who controlled the operation and management decisions of the public company Natural Blue Resources, while calling themselves outside “consultants” so as to profit from the company and to conceal their past disciplinary histories and true status as *de facto* officers of Natural Blue. Cohen and Corazzi created and controlled Natural Blue so that they and their entities could receive money and significant shares of stock, all the while making decisions that resulted in no revenues or viable business operations. While Natural Blue was ostensibly led by former New Mexico Governor Toney Anaya (“Anaya”) and, subsequently, Erik

Perry (“Perry”), both Anaya and Perry deferred to Cohen and Corazzi in derogation of their responsibilities, and failed to disclose Cohen and Corazzi’s past disciplinary histories and roles as *de facto* officers of Natural Blue. In addition, Natural Blue and Perry made material misrepresentations to investors, including misrepresentations in a February 2011 press release, on the Natural Blue Steel website and verbally to investors. As a result of these actions, Natural Blue, Cohen and Corazzi violated the securities laws.

B. RESPONDENTS

- (1) Natural Blue was a Delaware corporation based in Woburn, Massachusetts. As of June 16, 2014, Natural Blue’s securities (ticker symbol “NTUR”) were quoted on OTC Link (previously “Pink Sheets”) operated by OTC Markets Group, Inc., had seven market makers, and were eligible for the “piggyback” exception of Exchange Act Rule 15c2-11(f)(3). During the relevant period, Natural Blue’s securities qualified as a “penny stock” because they did not meet any of the exceptions from the definition of a “penny stock,” as defined by Section 3(a)(51) of the Exchange Act and Rule 3a51-1 thereunder. Natural Blue’s corporate charter was declared forfeited by the Delaware Secretary of State in November 2010, 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.
- (2) Cohen, age 58, is a resident of Windermere, Florida, and a purported consultant to Natural Blue through the entity “JEC Corp.” As described in greater detail below, Cohen was at all relevant times a “person participating in an offering of penny stock” because he engaged in activities for the purpose of issuing, trading and/or inducing or attempting to induce the purchase or sale of Natural Blue securities. Cohen was a registered representative for various broker-dealers from 1987 to 1997 and subsequently was barred from association by the National Association of Securities Dealers (“NASD”).¹ 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.
- (3) Corazzi, age 63, is a resident of Albuquerque, New Mexico, and a purported consultant to Natural Blue through the entity “JEC Corp.” As described in greater detail below, Corazzi was at all relevant times a “person participating in an offering of penny stock” because he engaged in activities for the purpose of issuing, trading and/or inducing or attempting to induce the purchase or sale of Natural Blue securities. From 1990 to 1999, Corazzi served as Chairman and

¹ On March 30, 1999, Cohen signed an Acceptance, Waiver and Consent with NASD resulting in a \$200,000 fine, censure and bar from association with any NASD member firm in any capacity. According to the U-6 filing, Cohen manipulated the price of an unidentified stock to benefit himself and others. On August 8, 1984, the SEC accepted an Offer of Settlement from Cohen for findings that he violated the antifraud provisions of the securities laws in connection to his participation in a 1981 offering of Sequential Information Systems, Inc. As a part of the settlement, Cohen was suspended from association with any NASD member firm for 30 days and required to enroll in a regulatory compliance course. *SEC v. Rooney Pace, Inc., et al.* (Rel. 34-21179).

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, imposed a civil penalty of \$75,000, and barred him permanently from acting as an officer or director of a public company.²

C. RELATED INDIVIDUALS AND ENTITIES

- (4) Atlantic Dismantling and Site Contractors Corp. (“Atlantic Dismantling”) is a corporation based in Woburn, Massachusetts. Atlantic Dismantling was purportedly organized in July 2008 to engage in the business of demolition and sitework on local construction projects, which it did principally as a subcontractor. The company presently is inactive and in bankruptcy proceedings.
- (5) Atlantic Acquisitions, LLC was a limited liability company based in Woburn, Massachusetts and founded in July 2010, allegedly to acquire rights to defunct industrial buildings for the purpose of salvaging and selling scrap metal. Atlantic Acquisitions, LLC became the parent company of Atlantic Dismantling in January 2011 and was involuntarily dissolved in June 2013.
- (6) JEC Corp. was a Nevada corporation that was organized in May 2002 and owned by Cohen’s family. Cohen served as its President, and Cohen’s wife, Patricia, was its Treasurer. The company’s corporate status has been revoked.
- (7) Blue Earth Solutions, Inc. (“Blue Earth”) was a Nevada corporation organized in March 2006 under the name RM Health International, Inc. (“RM Health”). In May 2008 RM Health merged with Blue Earth, a privately-held Delaware corporation, and engaged in the business of recycling polystyrene foam. It filed periodic reports with the Commission pursuant to Section 15(d) of the Exchange Act, and its securities were quoted on the OTC Bulletin Board. Cohen’s wife, Patricia, was the Chairman of the Board of Directors, the CEO, and the largest shareholder of the company, and Cohen’s son, James, Jr., was a director and the third-largest shareholder. The company’s corporate status has been revoked.
- (8) Anaya, age 73, was the Chairman and Chief Executive Officer of Natural Blue from August 2009 until January 2011. Anaya is a licensed attorney in New Mexico, where he also resides. He was the Governor of New Mexico from 1983 to 1986 and, prior to that, was the Attorney General of New Mexico from 1975 to 1978.
- (9) Perry, age 47, was the Chairman and President of Natural Blue from January 2011 until June 2011. He is believed to have resided in Beverly, Massachusetts prior to his relocation in mid-2011 to Sofia, Bulgaria.

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

D. IN AUGUST 2009, COHEN AND CORAZZI BEGAN THE SCHEME TO RUN NATURAL BLUE BEHIND THE SCENES AS “CONSULTANTS.”

- (10) In August 2009, Natural Blue, a privately-held Nevada company, went public through a reverse merger with Datameg Corporation (“Datameg”). Datameg became Natural Blue in July 2009 after Natural Blue (Nevada) was merged into it, and Natural Blue (Nevada) became a subsidiary of the public company. Natural Blue’s purported 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, Anaya, a former governor of New Mexico.
- (11) Natural Blue had no revenues, since the company never generated any income through water purification, its acquisitions of “green” technology and equipment, or any other line of business. Natural Blue used office space at a facility in Florida 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.)
- (12) From the time that Natural Blue went public in August 2009 through late 2011 (the “relevant period”), Cohen and Corazzi exercised significant influence over the company. Indeed, it was Cohen who orchestrated the reverse merger in August 2009 that resulted in Natural Blue going public. However, 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., Cohen’s family-owned company.
- (13) From August 2009 through 2011, Cohen and Corazzi recommended virtually all of the people appointed to Natural Blue’s board of directors and to fill key officer positions. The majority of those appointed to the board or hired as officers had a significant preexisting business and/or social relationship to Cohen or Corazzi.
- (14) In November 2009, Cohen and Corazzi (through JEC Corp.) became “consultants” to Natural Blue through two agreements approved by Natural Blue’s board of directors. The lucrative agreements were a fig leaf to disguise the real roles of Cohen and Corazzi – namely, as *de facto* officers of Natural Blue.

E. THE NOVEMBER 2009 CONTRACTS CONCEALED COHEN AND CORAZZI’S ROLES AS *DE FACTO* OFFICERS OF NATURAL BLUE.

- (15) In November 2009, Natural Blue entered into an Advisory Agreement with JEC Corp., a business entity run by Cohen for consulting, pursuant to which JEC Corp. agreed to research and present potential merger and acquisition targets for NTUR.

- (16) Also in November 2009, Cohen and Corazzi pushed Natural Blue to change its focus to the recycled steel business and in November 2009, Natural Blue entered into a separate Management Agreement with JEC Corp. to organize and manage a new steel subsidiary called Natural Blue Steel (“NBS”). NBS was purportedly created to purchase and resell recycled steel, predominantly through acquiring and demolishing abandoned buildings, and Cohen and Corazzi installed a business associate as president of NBS. Both the Advisory and Management agreements specified that JEC would provide services through Cohen and Corazzi.
- (17) To the extent Cohen or Corazzi did any “consulting” work to justify the lucrative payments they received from Natural Blue under any of these agreements, it was limited to their fruitless efforts to identify viable acquisitions (almost all of which were affiliated with Cohen) and/or to identify other sources of revenue (none of which ever came to pass.)
- (18) Moreover, though their roles as consultants to Natural Blue were purportedly defined by the two JEC agreements, Cohen and Corazzi directed other aspects of Natural Blue’s activities. Among other things, Corazzi was the company’s primary liaison with vendors who designed and updated Natural Blue’s website.
- (19) Cohen and Corazzi profited financially from Natural Blue through their receipt of both monetary payments and shares of Natural Blue stock. The payments they received, including fees and expenses, were allegedly for consulting work performed for Natural Blue through JEC Corp. In all, from May 2009 to August 2010, Cohen and JEC Corp. received at least \$249,000, with another \$101,000 going to Blue Earth, the microcap company controlled by Cohen. Companies affiliated with Corazzi also received more than \$171,000 in payments. Cohen also arranged for Natural Blue to “loan” Blue Earth \$100,000 in connection with the purported acquisition of Blue Earth by Natural Blue; however, the acquisition never occurred and the “loan” was never repaid by Blue Earth.
- (20) Cohen and Corazzi also received large amounts of Natural Blue stock, although they disguised that fact by having the shares, in which they had a beneficial interest, issued to others. When Cohen formed Natural Blue as a private company, he arranged for most of his founder’s shares to be issued in the names of his wife and children and a family business entity. Those shares were converted to Natural Blue shares following the reverse merger. Later, for putting together a deal with Atlantic Dismantling in January 2011, Cohen received five million Natural Blue shares, which he directed be issued in the name of JEC Corp. By mid-2011, Cohen’s family members and his affiliated entities had received more than 12.8 million shares, which represented approximately 11.5% of the issued and outstanding shares of Natural Blue.
- (21) When Natural Blue stock was issued, Corazzi arranged for all of his shares to be issued to various business entities that he controlled or in which he had a beneficial interest. Later, he had many of those shares transferred into his name

and sold them through his brokerage account and in private transactions. Like Cohen, Corazzi received millions of Natural Blue shares for his role in the January 2011 deal with Atlantic. By mid-2011, Corazzi owned more than 5.2 million shares in his name, representing approximately 4.7% of the outstanding Natural Blue shares. In addition, entities associated with Corazzi received approximately 4.1 million shares, or approximately 3.7% of the total outstanding shares. In February 2010, one of the entities associated with Corazzi called “Modaz, Ltd.” transferred 1,700,000 shares to him at nominal cost pursuant to an agreement. Over time, from in or about November 2010 through June 2011, Corazzi realized profits from Natural Blue stock sales of more than \$78,000.

F. NATURAL BLUE MISLED INVESTORS BY FAILING TO DISCLOSE THAT COHEN AND CORAZZI WERE *DE FACTO* OFFICERS.

- (22) While Anaya was CEO 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 Anaya’s influence or practical ability to effect decisions. For example, Anaya 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 Anaya’s tenure, Cohen and Corazzi essentially orchestrated a total change of corporate control for Natural Blue, without involving Anaya in any of the negotiations. While Anaya 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 Anaya’s efforts. Accordingly, Anaya’s control of nearly all day-to-day management issues was usurped by Cohen and Corazzi until his resignation in January 2011.
- (23) Anaya 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.
- (24) Due in part to Anaya’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 antifraud provisions of the securities laws. In fact, Corazzi is not mentioned in any Natural Blue filing, and Cohen is disclosed only indirectly.
- (25) Natural Blue’s Form 10-K for the year ended December 31, 2009 states that, in November 2009, Natural Blue entered into a Management Agreement and an

Advisory Agreement with JEC Corp. However, it states only that JEC Corp. “is owned by one of our shareholders and the shareholder is related to one of our consultants.” The 2009 Form 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 Corp. was included in the company’s Form 10-Q filings for the first three quarterly periods of 2010 (the “2010 10-Qs”).

- (26) The 2009 Form 10-K for Natural Blue was filed with the Commission on April 2, 2010, and the three 2010 10-Qs were filed on May 14, 2010, August 13, 2010, and November 22, 2010, respectively. An amended 10-Q for the third quarter of 2010 was filed on February 8, 2011.
- (27) Anaya approved and signed all of Natural Blue’s filings as CEO from November 23, 2009 to November 16, 2010.
- (28) After Perry succeeded Anaya as Natural Blue’s CEO in January 2011, he approved and signed an amended Form 10-Q for the third quarter of 2010 that included the disclosure described above in ¶25. Perry knew, before he became CEO, that Cohen had been incarcerated and that Corazzi “had a problem with the SEC” and could no longer be an officer or director of a public company.
- (29) In June 2011, Perry was abruptly dismissed as the CEO of Natural Blue at a board meeting. Cohen secretly attended the conference call with the board during which Perry was ousted and replaced with a Cohen friend and former business partner. As the audio recording of the meeting reveals, Cohen directed Perry’s ouster because a plan being proposed by Perry would have significantly decreased Cohen’s and Corazzi’s influence over Natural Blue and their ownership interest.

G. IN JANUARY 2011, DESPITE THEIR STATUS AS “OUTSIDE CONSULTANTS,” COHEN AND CORAZZI ORCHESTRATED A CHANGE IN CORPORATE CONTROL FOR NATURAL BLUE.

- (30) In January 2011, Natural Blue announced that it had entered into an agreement with Massachusetts-based Atlantic Acquisitions and its wholly-owned subsidiary, Atlantic Dismantling (collectively, “Atlantic”). The agreement resulted in a change of control of Natural Blue and, according to press releases issued by Natural Blue in January and February 2011, a dramatic change in its business prospects. In fact, the Natural Blue/Atlantic transaction was orchestrated by Cohen and Corazzi, with virtually no input from Natural Blue’s management.
- (31) In the fall of 2010, while seeking financing for Atlantic, Perry (then the CFO of Atlantic) came into contact with Cohen and Corazzi. Atlantic’s business discussions with Cohen and Corazzi eventually resulted in a deal between Atlantic and Natural Blue that was consummated in January 2011.

- (32) The transaction between Atlantic and Natural Blue resulted in a complete change in corporate control for Natural Blue, which was orchestrated entirely by the purported “consultants” Cohen and Corazzi. The principals of Atlantic dealt exclusively with Cohen and Corazzi throughout the negotiations. Indeed, throughout the negotiations, and until the eve of closing, the Atlantic principals believed that Cohen and Corazzi were the people who ran Natural Blue.
- (33) In 2010, Natural Blue failed to pay its Delaware registered agent’s fee and the registered agent resigned. The company failed to engage another agent in Delaware and, in November 2010, its corporate charter in Delaware was forfeited. As a result, Natural Blue was legally unable to conduct business and could not legally enter into the January 2011 agreement with Atlantic or any other contract.
- (34) Nonetheless, the deal proceeded between Atlantic and Natural Blue. In January 25, 2011, Natural Blue issued a press release announcing that the company had entered into “two key agreements to advance the growth, business interests, and future expected profitability of the Company.” The release quoted Anaya as saying, in a letter to Natural Blue shareholders, that its agreement with Atlantic “provides for Atlantic to assign tens of millions of dollars in Atlantic steel contracts to [Natural Blue] and to pursue future steel contracts on behalf of Natural Blue Steel Atlantic, LLC, a wholly-owned subsidiary to be formed by [Natural Blue].” The second agreement concerned a firm with fund-raising expertise that was to assist Natural Blue in raising capital for new steel projects. The release also said:

As a result of our new relationship with Atlantic, their associates, finance sources, and their key executives, Natural Blue Steel expects to see more than \$35 million in new revenues over the next year from new demolition sites that will operate under the Natural Blue Steel Atlantic division. While Atlantic contracts currently involve 14 sites, we expect to be operating with Atlantic at more than 30 sites in the next several months.

- (35) In fact, not a single Atlantic contract was assigned to Natural Blue, and Natural Blue Steel/Atlantic (“NBS/Atlantic”) received no revenues from Atlantic contracts. Moreover, according to the principals of Atlantic, Atlantic was legally unable to assign its existing contracts when it entered into the agreement.

H. NATURAL BLUE MADE FALSE AND MISLEADING STATEMENTS IN THE FEBRUARY 11, 2011 PRESS RELEASE.

- (36) On February 11, 2011, Natural Blue issued a press release announcing that it had incorporated a wholly-owned subsidiary, NBS/Atlantic. The press release announced that NBS/Atlantic:

has entered into two new environmental restoration/demolition contracts totaling \$2.5 million dollars. These projects involve remediation of contaminated soil and ground water as part of a major infrastructure project taking place with the transit authority in Boston, MA. In addition, [the NBS/Atlantic CEO] announced that NBS Atlantic was negotiating another \$6 million dollars in demolition and soil remediation contracts in southern Massachusetts and Rhode Island. Should NBS Atlantic receive these contracts they would bring NBS Atlantic's total expected revenue for the year to in excess of \$50 million dollars.

- (37) The February 11, 2011 release further quoted CEO Perry as saying: "This is a great beginning to our revenue stream and I'm thrilled that our team [has] secured these contracts so quickly given the rough weather we've all experienced."
- (38) The statements in the press release were false and misleading because NBS/Atlantic had not entered into these or any other contracts with the transit authority in Boston (the Massachusetts Bay Transit Authority or MBTA), nor had Natural Blue or Atlantic.
- (39) Moreover, there was no basis in fact for the statement that, should NBS/Atlantic obtain the \$6 million in contracts in Massachusetts and Rhode Island, it would bring the company's total expected revenue for the year to in excess of \$50 million. In fact, NBS/Atlantic had no signed contracts as of that date, and never did have any revenues.

I. NATURAL BLUE MADE FALSE AND MISLEADING STATEMENTS ON THE NATURAL BLUE STEEL WEBSITE.

- (40) Beginning in or about January 2011, Natural Blue also made false and misleading statements on its website in a section under the heading "Natural Blue Steel." As of January 2011, the NBS section of the website bearing the headline "Current Projects" contained a chart listing 19 projects divided among three categories: "In Process," "Work on Hand," and "End of Process." This information was false and misleading, because none of the listed projects were NBS contracts or contracts of Natural Blue or its subsidiaries. Rather, most of the projects were Atlantic contracts, which had not been and never were assigned to NBS or NBS/Atlantic.
- (41) In addition, in the category "Work on Hand," the Natural Blue Steel website chart listed MBTA Fairmont Line Readville and MBTA Fairmont Line New Market. As discussed above, these statements were false and misleading because neither NBS, NBS/Atlantic, nor Natural Blue had such contracts with the MBTA. Not even Atlantic had such contracts with the MBTA.

- (42) In addition, the NBS chart included a heading, “Total Revenue Expected Thus Far for 2011” and, under it, the amount of \$45,359,068.00.” That statement was false and misleading because none of the projects listed in the chart were NBS projects, and there was no basis in fact for the revenue figure.

J. NATURAL BLUE MADE FALSE AND MISLEADING ORAL MISSTATEMENTS TO THE NATURAL BLUE SHAREHOLDERS.

- (43) After Erik Perry became the chairman and CEO of Natural Blue, he was contacted by various investors, including existing Natural Blue shareholders. Perry discussed the company’s prospects with the investors and offered them an opportunity to purchase additional Natural Blue shares at a discount to the then-current market price. In doing so, Perry made material misrepresentations concerning the purported assignment of Atlantic’s contracts to Natural Blue, the revenues that Natural Blue purportedly would earn from them, and the jump in its stock price that would result. Based on oral representations by Perry in March 2011, at least three investors purchased Natural Blue stock at \$0.10 per share.
- (44) Perry’s oral representations to those three investors included material misstatements. For example, Perry stated to all three investors that Natural Blue’s stock, which was trading at \$0.26 per share on that date, should be worth at least \$0.60 per share based on the \$45 million of projects the company already had and would be worth dollars per share when larger steel contracts were finalized over the next weeks and months. This was a material misstatement because Natural Blue had no contracts for projects. In addition, Perry also told those three investors that Atlantic was merging into Natural Blue and funneling money into Natural Blue. That was also a material misstatement because there was no merger and Atlantic, which had chronic cash flow problems, did not funnel any money into Natural Blue.
- (45) In addition, Perry falsely and misleadingly told potential investors that Natural Blue/Atlantic already was working on a large contract in Texas worth more than \$5 million and that he personally helped to finance the project using more than \$2.5 million of his own money. That was a misstatement because Perry did not use his own funds to fund that project or any Atlantic project.

K. NATURAL BLUE FAILED TO MAKE COMMISSION FILINGS

- (46) Natural Blue has a continuing obligation to file periodic reports with the Commission pursuant to Section 15(d) of the Exchange Act because it has filed various registration statements, which went effective, pursuant to the Securities Act, and it appears that, since 2004, there have never been 300 or fewer record holders of its common stock. Natural Blue’s last periodic report was a Form 10-Q report for the quarterly period ended September 30, 2010, which it filed originally in November 2010 and amended in February 2011. The company is now delinquent with respect to its annual report on Form 10-K for the year ended December 31, 2010, and all subsequent periodic reports.

L. VIOLATIONS

- (47) As a result of the conduct described above, Natural Blue violated, and Cohen and Corazzi willfully violated, Section 17(a)(1) and 17(a)(3) 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 the offer and sale of securities and in connection with the purchase or 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. 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. Both Cohen and Corazzi knew or were reckless in not knowing that they committed deceptive acts in furtherance of this fraudulent scheme.
- (48) Natural Blue violated Section 17(a)(2) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder by making misrepresentations and omissions of material fact regarding Cohen and Corazzi in Natural Blue's public filings, in failing to name either Cohen or Corazzi as officers and failing to disclose their past criminal and regulatory violations. These misrepresentations and omissions of material fact allowed Natural Blue to obtain money and/or property from both private investors and public shareholders who purchased Natural Blue stock.
- (49) Natural Blue violated Section 17(a)(2) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5(b) thereunder by, among other things, misrepresenting material facts to investors in the February 11, 2011 press release, on the Natural Blue Steel website and through oral misstatements to potential investors in Natural Blue.
- (50) Natural Blue also failed to make Commission filings in violation of Section 15(d) of the Exchange Act and Rules 15d-1 and 15d-13.

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 and cease-and-desist 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

Cohen and Corazzi pursuant to 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

- C. Whether, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent Natural Blue should be ordered to cease and desist from committing or causing violations of and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, as well as Section 15(d) of the Exchange Act and Rules 15d-1 and 15d-13, whether Respondents Cohen and Corazzi should be ordered to cease and desist from committing or causing violations of and any future violations of Section 17(a)(1) and 17(a)(3) of the Securities Act, Section 10(b) of the Exchange Act, and Rules 10b-5(a) and 10b-5(c) thereunder, whether each of the Respondents should be ordered to pay a civil penalty pursuant to Section 8A(g) of the Securities Act and Section 21B(a) of the Exchange Act, and whether, pursuant to Section 8A(f) of the Securities Act and Section 21C(f) of the Exchange Act, Respondents Cohen and Corazzi should be prohibited, conditionally or unconditionally, and permanently or for such period of time as shall be determined, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

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 not earlier than 30 days and not later than 60 days from service of this Order 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 fails 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 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 Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 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.

By the Commission.

Jill M. Peterson
Assistant Secretary