

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4624 / January 24, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17811**

**In the Matter of**

**HANS PETER BLACK and**  
**INTERINVEST**  
**CORPORATION, INC.,**

**Respondents.**

**ORDER INSTITUTING ADMINISTRATIVE**  
**PROCEEDINGS PURSUANT TO SECTIONS**  
**203(e) and (f) OF THE INVESTMENT**  
**ADVISERS ACT OF 1940 AND**  
**NOTICE OF HEARING**

**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 Sections 203(e) and (f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Hans Peter Black (“Black”) and Interinvest Corporation, Inc. (“Interinvest,” and collectively with Black, “Respondents”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A. RESPONDENTS**

1. From 1980 through June 2015, Respondent Interinvest was an investment adviser registered with the Commission with a principal place of business located in Boston, Massachusetts. During this period, Interinvest clients paid fees ranging from 1-2% of assets under management in return for the company’s investment advice. As of April 2015, Interinvest purported to manage almost \$95 million in 78 accounts, principally on behalf of individual investor clients.

2. Respondent Black founded Interinvest in 1980. From the firm's founding through June 2015, Black was Interinvest's principal client relationship manager, providing investment advice to clients in exchange for the fees paid to Interinvest. During this period, Black held various executive titles and positions, including Chairman, President, Chief Compliance Officer and Chief Investment Officer. Despite the variety of titles and positions, Black was, at all relevant times, an Interinvest control person, and exercised exclusive discretion over the management of client portfolios, and held ultimate operational responsibility and control of Interinvest. Beginning in 2006 and continuing through June 2015, Black also took and held various positions on the board of directors of four Canadian penny stock companies, Tyhee Gold Corporation, Amorfix Life Sciences, Ltd., Wi2Wi Corporation, and Williams Creek Gold Limited (collectively, the "Canadian Penny Stock Companies").

## B. ENTRY OF THE INJUNCTION

1. On December 27, 2016, a final judgment was entered against Black and Interinvest, permanently enjoining them from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled Securities and Exchange Commission v. Interinvest Corporation, Inc. and Hans Peter Black, Civil Action Number 1:15-CV-12350-MLW, in the United States District Court for the District of Massachusetts.

2. The Commission's complaint alleges that, from at least 2010 through March 2015, Respondents Interinvest and Black defrauded their clients by committing more than \$17 million of client assets to investments in the Canadian Penny Stock Companies, but failing to disclose their material conflicts of interest in making these huge investments. Specifically, Respondents failed to disclose that Black, as a director of each of these companies, knew that these companies were financially troubled such that their financial statements expressed going-concern opinions noting, among other things, their accumulating deficits and their inability to finance day-to-day operations, and that he held board positions with these companies responsible for promoting and for fund-raising to keep the companies financially afloat. Respondents further failed to disclose that Black, through a separate consulting company under his control, received approximately \$1.7 million in consulting fees and expense reimbursement payments from the Canadian Penny Stock Companies as payment for his promotion, fund-raising and other board membership activities. Respondents Interinvest and Black further defrauded clients by failing to disclose to clients who had signed advisory agreements directing conservative, low-risk investments that Interinvest and Black were investing their assets in securities issued by the unprofitable, financially troubled, and high risk Canadian Penny Stock companies. By virtue of Respondent Black's dual-hatted position as Interinvest Chief Investment Officer and board member of each of the Canadian Penny Stock Companies, both Respondents acted with a high degree of scienter in defrauding their clients. Further, Respondents continued making fraudulent client investments in the Canadian Penny Stock Companies despite an explicit warning from the company's then Chief Compliance Officer in March 2014 that Respondents were engaging in a breach of fiduciary duty. By March 2015, Respondents had invested over \$17 million in securities issued by the Canadian Penny Stocks Companies, and these investments had incurred over \$12 million in unrealized losses.

### 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; and
- B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Sections 203(e) and (f) of the Advisers 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 Respondent 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 Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the 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 Interinvest as provided for in the Commission's Rules of Practice. This Order shall be served upon Respondent Black as provided for in Rule 141(a)(2)(iv) of the Commission's Rules of Practice, 17 C.F.R. § 201.141(a)(2)(iv).

IT IS FURTHER ORDERED that, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice, 17 C.F.R. § 201.360(a)(2), the Administrative Law Judge shall issue an initial decision no later than 75 days from the occurrence of one of the following events: (A) The completion of post-hearing briefing in a proceeding where the hearing has been completed; (B) Where the hearing officer has determined that no hearing is necessary, upon completion of briefing on a motion pursuant to Rule 250 of the Commission's Rules of Practice, 17 C.F.R. § 201.250; or (C) The determination by the hearing officer that a party is deemed to be in default under Rule 155 of the Commission's Rules of Practice, 17 C.F.R. § 201.155 and no hearing is necessary.

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