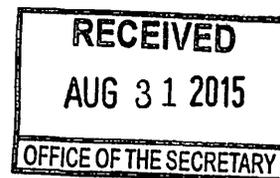


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING  
File No. 3-15974

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In the Matter of

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

MOTION TO CORRECT  
MANIFEST ERRORS OF FACT

Respondents.

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JAMES COHEN (“Respondent”), pursuant to Rule 111 of the Commission’s Rules of Practice, hereby moves to correct the following manifest errors of fact contained in the Court’s Initial Decision dated August 18, 2015:

1. The Initial Decision describes the formation of Natural Blue Nevada as being initiated by a telephone call from Joseph Corazzi to Governor Toney Anaya. Initial Decision 6. In fact, the record reflects that prior to the founding of Natural Blue, Governor Anaya had been involved, as of February 2009, in discussions with a number of business people, unrelated to Cohen and Corazzi, regarding various water and environmental proposals. Anaya Tr. 1045:12-1046:5. Indeed, Anaya had been “interested in activities and businesses relating to water purification . . . for over 30 years.” Anaya Tr. 1054:10-13. Anaya also communicated with Corazzi and Cohen during February 2009 regarding his interest in developing and participating in a water-related project involving land owned by his family. Anaya Tr. 1048:9-1049:12, 1053:4-18. Through these conversations, Anaya told Cohen and Corazzi that he would be

interested in leading “a green-related company.” Anaya Tr. 1053:13-1058:19. Natural Blue was not presented to Anaya “as a *fait accompli*” but was the direct result of *Anaya’s* expressed interest in such a project. Anaya Tr. 1054:14-1056:15. Ultimately, all four of Anaya, Paul Pelosi, Cohen and Corazzi “got together . . . over the phone . . . and . . . founded the company.” Pelosi Tr. 476:13-19. Natural Blue’s initial business plan, to locate, purify, and sell water recovered from underground aquifers in New Mexico, was an idea first mentioned by Anaya to which Corazzi and Cohen responded. Div. Ex. 300 ¶ 1.

2. The Initial Decision states that as of March 6, 2009, “Cohen was already in the drafting stages of the reverse merger term sheet with Datameg,” and cites Division Exhibit 69 (at 3) as support. Initial Decision at 7. The exhibit only describes the preparation by attorney Paul Vuksich of a “draft term sheet,” prior to March 6, but does not specify the transaction connected to that term sheet. Based upon additional references in that exhibit to Mr. Vuksich’s work on “Blue Earth Matters” prior to March 6, the term sheet’s reference to a “draft term sheet” actually refers to the American Marketing – Blue Earth transaction that occurred prior to the Datameg Reverse Merger. See Cohen Ex. 417.

3. The Initial Decision states that Gov. Anaya “did not voice any opinion regarding the reverse merger with Datameg.” Initial Decision at 7. In fact, Gov. Anaya voiced his approval of the reverse merger. At a March 31, 2009 Board of Directors meeting, Cohen presented to the Natural Blue Board an unsigned, *proposed* nonbinding term sheet with Datameg. Anaya Tr. 821:11-14; Cohen Ex. 1. Anaya subsequently signed a transaction term sheet dated April 1, 2009, which documented his approval of the transaction. Anaya Tr. 1069:10-20; Cohen Ex. 2.

4. The Initial Decision states that Cohen and Corazzi “selected the Board” of Natural

Blue Delaware (at 8), and characterizes Anaya's role as "not object[ing] to the composition of the Board" (at 9). In fact, the Board was not selected by Cohen and Corazzi but voted and elected by the shareholders of the company. Cohen Ex. 55; Anaya Tr. 1117:22-1118:4; Murphy Tr. 168:11-169:8; Pelosi Tr. 553:24-554:23; Vuksich Tr. 326:1-9, 427:12-428:23 (confirming that Vuksich as counsel participated in this process). Gov. Anaya voted his shares on behalf of the Board slate. Cohen Ex. 55; Anaya Tr. 1117:22-1118:4. While there was evidence that certain of those Board members were recommended by Cohen, including individuals who were previously associated with Datameg but otherwise not known to Cohen, it is not accurate to say that Cohen either could or did "select" the Board. There was no evidence that the members of the Board were "selected" by Corazzi.

5. The Initial Decision states that Cohen blocked Anaya's plan to hire Anaya's daughter, Kristina Bibb, as bookkeeper of Natural Blue, and states that Anaya was "never able to get the bookkeeping under his control" without acknowledging the substantial issues associated with Ms. Bibb. Initial Decision at 16-17 (relying on Anaya's testimony). In fact, Gov. Anaya's plan met with opposition due first to concerns about nepotism, conflicts of interest, and her qualifications, and later as a result of Bibb's documented and serious legal issues. Cohen Ex. 442. Moreover, while Anaya offered conclusory claims regarding access to the bookkeeping records, the evidence established that those records were held and transferred pursuant to Anaya's own directions. Anaya Tr. 1077:2-5, 1143:4-1144:3. Cruickshank directed that Cruickshank keep the company's records, and Cruickshank did in fact "keep[] the books of original entry, which is a general ledger" (Cruickshank Tr. 1077:2-5, 1143:4-1144:3, 1589:1-6), storing the "general ledger [on a] reporting system we had" (Cruickshank Tr. 1593:6-11). Cruickshank testified that Cohen *never had access* to the general ledger (Cruickshank

Tr. 1610:8-24). At the conclusion of Cruickshank's term, Cruickshank transferred to Jehu Hand, his successor as CFO, "copies of [the] internal ledger and any detail that he asked for" (Cruickshank Tr. 1598:5-11), in a form that Hand "could take and plug into a QuickBooks system" (Cruickshank Tr. 1599:2-14). Cohen never directed Cruickshank not to provide financial records to Hand. Cruickshank Tr. 1599:16-18. Hand testified that he did receive the information required to make accurate public filings. Cohen Ex. 434 at 40:5-16.

6. 7. The Initial Decision states that *attorney Jeff Decker*, who himself had extensive dealings with Cohen and Corazzi, "chose not to list Cohen or Corazzi in the securities filings because he did not feel that their responsibilities made them executive officers under disclosure rules," but still concludes that there was a "scheme" to conceal information from shareholders. Initial Decision at 17. In fact, Cohen and Corazzi had extensive interactions with *multiple* attorneys for Natural Blue, and these attorneys were well aware of the roles Cohen and Corazzi were actually playing with the company. Anaya Tr. 1212:13-25 (Decker worked closely with Cohen and Corazzi and understood that they played an active role in the business of Natural Blue); Decker Tr. 1537:13-25. This knowledge did not lead *any* of the company's counsel to suggest that Cohen or Corazzi should be disclosed as officers, nor did counsel testify as to participation in any related scheme to conceal their true roles. Vuksich Tr. 410:20-411:10 (Vuksich did not have any issues with disclosures of management in filing or have a belief that he was concealing Cohen's role), 452:24-453:18 (Vuksich stated that "the filings when made are not false"); Anaya Tr. 1214:12-1215:3 (Decker reviewed the language in the 10-K regarding management), 1287:13-1289:3, 1292:23-1293:10 (disclosure of roles of Cohen and Corazzi discussed with Decker, Rountree and Hand), 1303:13-1305:5, 1307:16-19 (Anaya did not enter into any scheme to conceal the role Cohen or Corazzi played from investors); Decker Tr. 1538:1-

18 (with reference to 10-K that disclosed the consulting agreement Natural Blue had entered into with JEC Consulting, Div. Ex. 75, Decker did not “feel that the responsibilities that [Cohen or Corazzi] had for the company made them executive officers at all much less to be disclosed in the 10-K under the disclosure rules”); Decker Tr. 1541:12-15 (Decker never communicated with Cohen or Corazzi regarding concealing their roles from investors); Decker Tr. 1568:7-21 (Cohen told Decker about his criminal history at the beginning of Decker’s engagement); Cohen Exs. 228, 230. Other board members and officers testified similarly. Murphy Tr. 179:2-5 (regarding Cohen and Corazzi’s roles, Murphy stated “we wouldn’t conceal anything”), 206:3-11 (same); Anaya Tr. 1307:16-19 (“Q: Did you, during this period of time, enter into any scheme with Mr. Cohen and Mr. Corazzi to conceal their role from investors. A: Of course not.”). Further, Mr. Cohen and Mr. Corazzi were specifically asked to and did meet with various prospective shareholders, further demonstrating that there was no agreement to conceal their role and that the extent of the disclosures was the result of the advice from counsel and ultimately the decision of Anaya.

8. The Initial Decision states that “Cohen informed the Board after the fact of the EcoWave acquisition, rather than soliciting the Board’s approval beforehand, and in so doing usurped the Board’s role.” Initial Decision at 28; see also id. at 10-11, 27. In fact, the record reflects that the EcoWave transaction did not close until *weeks* after the August 1, 2009 Board meeting, well after the Board discussed the deal. Cohen Ex. 52.

Respondent respectfully submits that the Court should correct these manifest errors.

Dated: August 28, 2015

Respectfully submitted,

/s/

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*Attorneys for Respondent James E. Cohen*

**CERTIFICATE OF SERVICE**

I hereby certify that a true copy of **RESPONDENT JAMES COHEN'S MOTION TO CORRECT MANIFEST ERRORS OF FACT** was served on the following by overnight mail and electronic delivery on this 28th day of August, 2015:

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The Honorable Carol Fox Foelak  
Administrative Law Judge  
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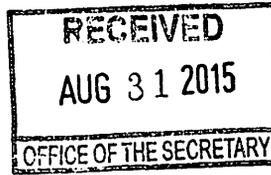
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Joseph Corazzi (*pro se*)

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Patricia A. Hart

August 28, 2015



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**VIA FEDERAL EXPRESS**

Jill M. Peterson  
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Securities and Exchange Commission  
100 F. Street, N.E.  
Washington, DC 20549

***Natural Blue Resources, Inc., AP File No. 3-15974***

Dear Ms. Peterson:

Enclosed please find copies of Respondent James Cohen's Motion to Correct Manifest Errors of Fact in this matter.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Maranda Fritz".

Maranda E. Fritz

Enclosure

cc: Susel Koepke, Office of Administrative Law Judges  
Honorable Carol Fox Foelak  
Rua M. Kelly  
Joseph Corazzi  
Mayeti Gametchu (via email only)