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STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: Steven Michael Ferguson
Global Venture Group
345 N. Maple Drive, Suite 277
Beverly Hills, CA 90210

DESIST AND REFRAIN ORDER
(For violations of section 25110 and 25401 of the Corporations Code)

The California Corporations Commissioner finds that:

1. Global Venture Group is a Nevada corporation filed April 14, 1999. Its president of record is Mike Krokidas. Its secretary and treasurer of record is Min Park. At all relevant times, the business address of Global Venture Group has been 345 North Maple Drive, Suite 277, Beverly Hills, CA 90210. Global Venture Group maintains a website at www.globalventuregroup.com. Global Venture Group is purportedly an international venture capital firm with additional offices in Zurich, Switzerland and Las Vegas, Nevada.

2. At all relevant times Steven Michael Ferguson ("Ferguson") has been a resident of California and the chairman, chief executive officer and majority shareholder of Global Venture Group.

3. During a period beginning no later than early 1999 and continuing through at least December, 2002, Ferguson, acting in both his own name and as the CEO of Global Venture Group, has induced a number of different individuals, including residents of California, Georgia and Switzerland, to enter into a variety of investment contracts. Ferguson has

1 induced the investments by displaying a flashy, opulent lifestyle to prospective investors
2 which caused them to believe his representations that he was a wealthy and successful
3 venture capitalist capable of earning high returns for them upon short term investments.
4

5 4. Ferguson has driven expensive automobiles and employed a cook and a butler.
6 He has transported prospective investors by private jet and entertained them lavishly at his
7 home in Marina del Rey and at a variety of fashionable and expensive destinations including
8 Napa Valley, Pebble Beach, Maui, Zurich, St. Moritz, Las Vegas and the Greek Isle of
9 Crete.

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11 5. Ferguson has offered a variety of different investment contracts. In some cases
12 he provided no written instrument to evidence the investment. In other cases he provided
13 promissory notes to investors, issued either by himself in his individual capacity or by
14 Global Venture Group.

15
16 6. In January of 1999, Ferguson induced a retired Georgia man to invest \$40,000
17 with him, representing that the money would be used to fund a partnership formed to
18 purchase a medical building. Ferguson represented that the man would receive a minimum
19 profit of \$35,000 from the deal. As evidence of the investment Ferguson gave the man a
20 promissory note issued by Ferguson in his individual capacity. The note was dated January
21 21, 1999 and promised payment of principal and interest in the amount of \$75,000 on April
22 21, 1999. The man was repaid \$75,000 by Ferguson in late April, 1999. He then re-
23 invested \$100,000 with Ferguson, giving Ferguson discretion to place the money in
24 investments with durations of roughly ninety days to four months. A few months later the
25 amount of \$51,423.39 was repaid to the investor. On July 28, 1999, the investor paid
26 Ferguson \$338,000 by wire transfer. Ferguson represented to the investor that the money
27 would be used to purchase a medical building that was the subject of threatened foreclosure
28 action. Ferguson represented that the man would receive a return on his investment within

1 three to four months. The man never received any subsequent payment from Ferguson. As
2 an acknowledgement of his obligation to repay the investment, Ferguson gave the Georgia
3 investor a promissory note dated November 15, 1999, issued by Ferguson individually,
4 promising to pay the amount of \$450,000 in thirty six monthly installments of \$3,750.00
5 beginning December 15, 1999. The payments were never made.

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7 7. In late 1999, Ferguson struck up an acquaintance with a Swiss resident of Zurich
8 on a first class commercial flight from Los Angeles to Zurich. Thereafter, Ferguson
9 entertained the Swiss resident on a series of social occasions, including a trip to Napa
10 Valley and Pebble Beach. On the basis of the social relationship he had forged, Ferguson
11 induced the Swiss resident to make a series of investments with him through Global Venture
12 Group. The investments began in early January, 2000 when the Swiss resident gave
13 Ferguson \$50,000 for an investment in a hotel. Ferguson gave him a promissory note
14 issued January 5, 2000, promising repayment of principal plus interest of \$5,000 on January
15 4, 2001. The note was signed "Steven M. Ferguson CEO." Thereafter the Swiss resident
16 received eight additional promissory notes from Ferguson from June 1, 2000 to January 1,
17 2002, all issued by Global Venture Group and signed by Ferguson as CEO. The last of the
18 notes was issued by Global Venture Group for the amount of \$345,000, representing a total
19 of approximately \$165,000 invested by the Swiss resident, plus rollovers of purported profits
20 generated by earlier investments with Ferguson. Repayment was not made following the
21 note's maturity on December 31, 2002.

22
23 8. The Swiss resident introduced Ferguson to six or seven of his friends and
24 acquaintances, also Swiss nationals, whom Ferguson induced to make additional
25 investments. Ferguson represented to the Swiss investors that he was in the business of
26 providing high-interest, short-term bridge financing to businesses and ventures. During
27 approximately mid-to-late 2001 Ferguson represented to the group of Swiss investors that if
28 they could collectively raise a total of \$5 million to invest, they could take advantage of a

1 higher rate or return of 40% per annum available from his deal source upon larger
2 investments. Ferguson represented that he would participate in the group himself and
3 contribute more than \$1 million of the required \$5 million. At least six Swiss residents
4 agreed to participate in the venture. Ferguson provided them a one-page memorandum
5 dated November 15, 2001 which referred to their joint investment as an "Investment Fund"
6 and outlined the group's plan to raise a total of \$5,000,000 by December 15, 2002 in order
7 to lock in the purported 40% return upon their investment during 2002. The sums due to the
8 group at the end of 2002 have not been repaid, and their subsequent efforts to contact
9 Ferguson have been unsuccessful.

10
11 9. In late October of 2001, Ferguson induced a resident of Inglewood, California to
12 invest \$100,000 with him, representing that the money would be used to purchase a
13 medical building which would be resold to yield a profit of 20% within a maximum of six
14 months. In December of 2001 Ferguson induced the same man to give him an additional
15 \$180,000, representing that his total investment of \$300,000 would next be used to
16 purchase and lease out a jet, providing monthly payments of 20%. As evidence of the
17 investment Ferguson gave the man a promissory note for \$300,000 issued by Global
18 Venture Group and dated December 1, 2001. During the Christmas-New Year holiday
19 period of 2001-2002, Ferguson flew the man and his wife to Maui on a private jet for a two-
20 week vacation with other investors from Switzerland. In February of 2002 Ferguson
21 solicited an additional investment of \$100,000 from the Los Angeles man, representing that
22 it would be used to buy another medical building and would provide a return of 10% within
23 six weeks. Thereafter, the monthly 20% payments upon the jet-leasing deal continued only
24 until May of 2002. None of the man's outstanding principal investment of \$400,000 has
25 been repaid.

26
27 10. Ferguson has failed to reveal to his investors that he is a convicted felon, having
28 pled nolo contendere in October of 1994 to three charges of grand theft. He has further

1 failed to reveal that he has failed to make the restitution payments ordered in connection
2 with his conviction, in the amount of approximately \$356,000.

3
4 11. The Department of Corporations has not issued a permit or other form of
5 qualification authorizing the offer and sale of securities issued by Steven Michael Ferguson
6 and/or Global Venture Group in this state.

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8 Based upon the foregoing findings, the California Corporations Commissioner is of
9 the opinion that Steven Michael Ferguson, acting both individually and through the Nevada
10 corporation Global Venture Group of which he is the chairman, chief executive officer and
11 majority shareholder, has engaged in offers and sales of securities in California, consisting
12 of investments contracts and interests in an investment fund, without the transactions first
13 having been qualified under the California Corporate Securities Law of 1968, in violation of
14 sections 25110 of the Corporations Code. Pursuant to section 25532 of the Corporate
15 Securities Law of 1968, Steven Michael Ferguson and Global Venture Group are hereby
16 ordered to desist and refrain from further offers or sales of investment contracts and/or
17 investment funds unless and until qualification has been made.

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19 Further, the California Corporations Commissioner is of the opinion that the
20 investments contracts and interests in the investment fund have been offered and sold by
21 means of written and oral communications which have included untrue statements of
22 material fact or have omitted to state facts necessary in order to make the statements made,
23 in the light of the circumstances under which they were made, not misleading, in violation of
24 section 25401 of the Corporate Securities Law of 1968. Pursuant to section 25532 of the
25 Corporate Securities Law of 1968, Steven Michael Ferguson and Global Venture Group are

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