

STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:)
)
OCEANFRONT EQUITY HOLDINGS, INC.)
IGS CAPITAL MANAGEMENT CORP.) ADMINISTRATIVE ORDER
BRADLEY PRIDEMORE) NO. CO-2005-0025
)
RESPONDENTS)

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENTS

1. **OCEANFRONT EQUITY HOLDINGS, INC.** ("OEH") is a Florida corporation with a business address of 2400 East Commercial Blvd, Suite 719, Fort Lauderdale, Florida, 33308. OEH is the parent holding company for the following subsidiaries: IGS Capital Management Corp. (a real estate management firm), Oceanfront Brokerage, Inc. (a real estate brokerage firm) and IGS Financial, Inc. (a mortgage brokerage firm).

2. **IGS CAPITAL MANAGEMENT CORP.** ("IGS") is a Florida corporation with a business address of 2400 East Commercial Blvd, Suite 719, Fort Lauderdale, Florida, 33308. IGS is a real estate management firm that also serves as the general partner of certain real estate limited partnerships.

3. **BRADLEY PRIDEMORE** ("PRIDEMORE") is or was an executive officer of IGS, with a business address of 2400 East Commercial Blvd, Suite 719, Fort Lauderdale, Florida, 33308.

STATEMENT OF FACTS

4. Information made available to the Commission indicated that in May 2005, PRIDEMORE, on behalf of IGS, offered a securities investment in **Ocean Equity Partners VII, LLLP** ("OEP VII"), a Florida real estate limited partnership, to a prospective investor residing in the State of Alabama.

5. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, nor any notice indicating any exemption from registration, for the offer or sale of the securities of OEP VII in the State of Alabama under the provisions of Section 8-6-4, Code of Alabama 1975.

6. A review of the files of the Alabama Securities Commission Registration Division disclosed no record of registration, nor any notice indicating any exemption from registration, for either PRIDEMORE, IGS or OEH as a Securities Agent or Dealer in the State of Alabama under the provisions of Section 8-6-3, Code of Alabama 1975.

7. Based upon the information cited above, on August 25, 2005 the Commission staff entered a Cease and Desist Order against the Respondents directing them to immediately cease and desist from further offer or sales of any security into, within, or from the State of Alabama.

8. The Respondents contacted the Commission staff through their attorney and several informal meetings were conducted by conference calls between the Commission staff and counsel for the Respondents. Respondents provided the Commission staff with two sworn affidavits of the President of OEH and IGS, Mr. Raphael A. Dominguez. The Respondents also provided copies of the offering documents provided to prospective investors in OEP VII, consisting of a Subscription Agreement and a Partnership Agreement. The offering documents made appropriate disclosures of risk factors involved in the offering. The Respondents also provided copies of the filing on Form D made with the United States Securities and Exchange Commission with respect to the offering of the securities of OEP VII.

9. In his affidavits, Mr. Dominguez stated that IGS, on behalf of OEP VII, had made a private offering of 500 units of its limited partnership interests to raise up to \$500,000 pursuant to Rule 506 of Regulation D promulgated under the Securities Act of 1933 and that the offering was available only to accredited investors. Mr. Dominguez further stated that OEH was not involved in the offering, which was made by the salaried management of IGS and was made only to a limited number of prospective investors who were reasonably believed to be qualified.

10. The affidavits of Mr. Dominguez further stated that, on May 8, 2005 an Alabama citizen contacted IGS via email regarding possible real estate investments after viewing its internet website. Respondent PRIDEMORE, a salaried officer of IGS, then telephoned the Alabama citizen to discuss his financial circumstances, real estate investment objectives and the possible real estate investments, both direct and through partnerships, that could be made through IGS and its affiliates. At the request of the Alabama citizen, PRIDEMORE, on behalf of IGS, then provided him with the offering documents for OEP VII described in paragraph 8 above and other general information about IGS. Ultimately, the Alabama citizen did not choose to invest, but the offering was fully subscribed by 10 other investors, none of whom lived in the State of Alabama.

11. Respondents contended that, based upon the facts above, the offering of the securities of OEP VII was exempt from the State of Alabama's registration requirements in Sections 8-6-3 and 8-6-4, Code of Alabama 1975, due to the exemption from registration provided by Rule 506 of Regulation D promulgated under the Securities Act of 1933 and the Statement of Policy of the Commission with respect thereto and also due to the exemption from registration provided by Section 8-6-11(9), Code of Alabama 1975. The Respondents further contended that no notice filing with the State of Alabama was required due to the fact that no sales were made in the State of Alabama.

12. In response, the Commission contends that, at the time of the offering to the Alabama citizen, the information on the IGS website constituted a general

solicitation with respect to the sale of the securities of OEP VII and that, consequently, the exemptions provided by Rule 506 of Regulation D promulgated under the Securities Act of 1933 and Section 8-6-11(9), Code of Alabama 1975, were not available. The IGS website has since been modified.

13. The Respondents contend that, even in May of 2005, the internet website of IGS did not contain a general solicitation with respect to the securities of OEP VII or any other limited partnership; instead, the website was almost entirely devoted to real estate matters and neither the securities of OEP VII nor any other limited partnership were identified or described on the website and no offering documents were available over the internet.

CONCLUSIONS OF LAW

14. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in the State of Alabama unless the security is registered under the Act, the security is exempt under Section 8-6-10 of the Act or the transaction in which the security is sold is exempt under Section 8-6-11 of the Act or Rule 506 of Regulation D promulgated under the Securities Act of 1933 and the Statement of Policy of the Commission with respect thereto.

16. Pursuant to Section 8-6-3, Code of Alabama 1975, it is unlawful to employ an agent to transact securities business in the State of Alabama unless the agent is registered as a Securities Agent or Dealer under the Act, or an appropriate exemption from such registration is available.

WHEREAS, Respondents state that the information and assertions presented by them to the Commission during its investigation of this matter are true and correct; that Respondents understand the Commission's reliance upon such information and assertions in its determination to accept this Order, and that should this information or these assertions prove to be incorrect or misrepresented, the Commission may seek such other administrative, civil, or criminal remedies that may be available to it under

the provisions of the Act.

WHEREAS, Respondents have voluntarily waived all rights to a hearing upon entry of this Order, and have consented to the entry of this Order, and

WHEREAS, the Commission finds this Order necessary and appropriate in the public interest for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act, and

WHEREAS, the Commission and the Respondents are desirous of settling this matter as hereafter set forth and agree to the entry of this Order.

ACCORDINGLY, IT IS HEREBY ORDERED:

1. That Respondents IGS and OEH shall, until such time as any securities offered by them are properly registered, or an appropriate exemption from registration has been perfected, refrain from effecting transactions in such securities into, within or from the State of Alabama.

2. That Respondents IGS and OEH shall not employ, or allow to act on their behalf in effecting transactions in securities in this state, any broker-dealer or agent who is not appropriately registered as a Securities Agent or Dealer under the Act, or an appropriate exemption from such registration is available.

3. That Respondents IGS and OEH shall not authorize Respondent PRIDEMORE to act as an agent or effect transactions in securities on their behalf in the State of Alabama until such time as he is appropriately registered as an Securities Agent under the Act, or an appropriate exemption from such registration is available.

4. That Respondent IGS shall maintain its web site in such manner as to avoid the general solicitation of securities.

5. That in accordance with Section 8-6-19(j)(1), Code of Alabama 1975, Respondent IGS shall pay to the State of Alabama an administrative assessment in the total sum of three hundred fifty dollars (\$350).

6. That in accordance with Section 8-6-19(k)(1), Code of Alabama 1975, Respondent IGS shall pay to the Commission, as partial reimbursement for the Commission's cost for investigating this matter, the sum of three hundred fifty dollars (\$350).

7. That the entry of this Order and subsequent completion of all conditions of this Order resolves Cease and Desist Order No. CD-2005-0025.

AGREED AND CONSENTED to on dates indicated:

RESPONDENTS:

IGS Capital Management Corp. and Oceanfront Equity Holdings, Inc.

BY: Raphael Dominguez
Raphael A. Dominguez, President

DATE: 2-13-06



ALABAMA SECURITIES COMMISSION
770 Washington Avenue, Suite 570
Montgomery, AL 36130-4700
(334) 242-2984
P.M.

BY:


JOSEPH P. BORG
Director