

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of:)
)
GLOBAL ARENA CAPITAL CORP.;)
BARBARA DESIDERIO;)
JONAH ENGLER;)
HECTOR PEREZ;)
JONATHAN SHEKLOW;)
PETER SNETZKO; and)
JOSHUA TURNEY)
)
Respondents.)
_____)

ORDER NO. 14-1442-2-S
ORDER TO CEASE AND DESIST,
IMPOSING RESTITUTION
AND A PERMANENT BAR
AS TO PETER SNETZKO
and
CONSENT TO ORDER

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Administrator”), has conducted an investigation into certain business activities of Global Arena Capital Corp. (“Global”), Barbara Desiderio, Jonah Engler, Hector Perez (aka Bruce Johnson), Jonathan Sheklow, Peter Snetzko, and Joshua Turney (collectively, the “Respondents”), and has determined that Respondents violated certain provisions of the Alaska Securities Act, Alaska Statute (“AS”) 45.55.

Respondent Snetzko agrees that the Administrator has jurisdiction over him and this matter pursuant to the Alaska Securities Act.

Respondent Snetzko wishes to resolve and settle this matter with the Administrator. As evidenced by the authorized signatures on this Order, Respondent Snetzko consents to the entry of this Order to cease and desist and pay restitution based on the Conclusions of Law and Order. Although Respondent Snetzko previously exercised his right to a hearing, Respondent Snetzko now waives his right to a hearing before the Office of Administrative Hearings.

I. FINDINGS OF FACT

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2 1. At all times relevant to this order, Global (Central Registration Depository
3 (“CRD”) No. 16871) was a broker-dealer with an address of 880 Third Avenue, Suite 1214,
4 New York, New York, 10022.

5 2. At all times relevant to this order, Global was registered in Alaska as a broker-
6 dealer since March 5, 2009; however, it submitted a request through CRD on June 5, 2015 for
7 its registration to be terminated in Alaska.

8 3. At all times relevant to this order, Ms. Desiderio (CRD No. 2080713) was a
9 resident of East Windsor, New Jersey. She was the president of Global from October 23, 2013
10 to June 5, 2015, and was registered in Alaska as a broker-dealer agent for Global from October
11 31, 2013 to June 5, 2015.

12 4. At all times relevant to this order, Mr. Engler (CRD No. 4216259) was a
13 resident of New York, New York. He was a principal of Global from October 29, 2013 to April
14 16, 2015. Mr. Engler was not registered in Alaska as a broker-dealer agent for Global.

15 5. At all times relevant to this order, Mr. Perez (CRD No. 5431109) was a resident
16 of Kearney, New Jersey. He was a principal of Global from October 29, 2013 to June 5, 2015,
17 and was registered in Alaska as a broker-dealer agent for Global from November 8, 2013 to
18 June 5, 2015.

19 6. At all times relevant to this order, Mr. Sheklow (CRD No. 4906207) was a
20 resident of Shelton, Connecticut. He was a principal of Global from October 29, 2013 to June
21 5, 2015, and was registered in Alaska as a broker-dealer agent for Global from November 8,
22 2013 to November 12, 2013.

23 7. At all times relevant to this order, Mr. Turney (CRD No. 4510219) was a
24 resident of White Plains, New York. He was a principal of Global from October 29, 2013 to

1 June 5, 2015, and was registered in Alaska as a broker-dealer agent for Global from November
2 8, 2013 to June 5, 2015.

3 8. At all times relevant to this order, Mr. Snetzko (CRD No. 5632129) was a
4 resident of Brooklyn, New York. He was an employee of Global from October 29, 2013 to
5 June 3, 2015, and was registered in Alaska as a broker-dealer agent for Global from November
6 8, 2013 to June 5, 2015.

7 9. Ms. Desiderio, Mr. Engler, Mr. Perez, Mr. Sheklow, Mr. Turney, and Mr.
8 Snetzko researched and selected investments, and directed junior agents to offer and sell those
9 investments to potential clients throughout the United States.

10 10. During the first week of March 2014, seventy-eight (78) year old Alaska
11 resident B.B., who was then and continues to be in very poor health, received an unsolicited
12 phone call from a junior agent (“Agent One”) at Global regarding a potential investment. B.B.
13 had never heard of Global before and did not know how Global obtained his phone number.
14 After speaking with B.B., Agent One generated a qualified lead card and passed it along to
15 another junior agent (“Agent Two”) to do a follow-up call to B.B.

16 11. A short time later during the first of week of March 2014, B.B received a call
17 from Agent Two who referred to the qualified lead card and attempted to get B.B. to invest
18 with Global. During the conversation, the agent pitched the idea of B.B. purchasing the Nii
19 Capital Corp 10% Bonds as a safe investment. At the time, the bonds were rated Caa2 by
20 Moody’s Investors Service, Inc. (“Moody’s) and CCC- by Standard & Poor’s Financial
21 Services LLC (“Standard & Poors”), one step above default. From the conversation, B.B.
22 understood these bonds to be a safe investment and agreed to open an account with Global.
23 Shortly thereafter, Agent Two generated a new account form (acct. no. xxx-xx570) for B.B.

24

1 12. On March 10, 2014, Agent Two FedExed the account form to B.B. for him to
2 sign. Included with the new account form was confirmation of an offer to B.B. for him to
3 invest twelve thousand dollars (\$12,000) in 20 Nii Capital Corp 10% Bonds maturing on
4 August 15, 2016 with an estimated yearly interest payout of approximately two thousand
5 dollars (\$2,000). The next day, B.B. signed the account form and sent it back along with a
6 check for twelve thousand dollars (\$12,000) to purchase the bonds in a prepaid FedEx
7 envelope provided by Global. A few days later, Global received B.B.'s new account form and
8 Mr. Snetzko signed the form under the "Approved By Financial Advisor" line.

9 13. The account documentation B.B. received directed him to make his check out to
10 RBC Correspondent Services. RBC Correspondent Services is a division of RBC Capital
11 Markets, LLC, and RBC Capital Markets, LLC is a wholly owned subsidiary of the Royal
12 Bank of Canada. Because B.B. understood the investments to be safe and because the
13 documentation directed him to send the money to an entity affiliated with the Royal Bank of
14 Canada, he understood that he was depositing his money with the Royal Bank of Canada. B.B.
15 did not understand at the time that the money he was sending to Global through RBC
16 Correspondent Services was being used to purchase bonds.

17 14. The offer sent by Agent Two on March 10, 2014 stated that the cost to purchase
18 20,000 Nii Capital Corp 10% Bonds would be twelve thousand dollars (\$12,000.) By the time
19 Global received B.B.'s check and was ready to effect the trade on March 18, 2015, the value of
20 the bonds had decreased such that the cost to purchase twenty thousand (20,000) bonds was
21 only ten thousand thirty-seven dollars and three cents (\$10,037.03). The remainder of B.B.'s
22 check, after Global's commission of three hundred eighty-three dollars and fifty-three cents
23 (\$382.53), was placed into a money market account.

1 15. On March 14, 2014, before Global even received the money that B.B. sent for
2 the first bond purchase, Agent Two FedExed another offer to B.B. for him to invest an
3 additional fifteen thousand dollars (\$15,000) in Nii Capital Corp 10% Bonds maturing on
4 August 15, 2016 with an estimated yearly interest payment of approximately two thousand five
5 hundred dollars (\$2,500). At the time, Nii Capital Corp 10% Bonds were still rated Caa2 by
6 Moody's and CCC- by Standard & Poor's. B.B. sent a check for fifteen thousand dollars
7 (\$15,000) to RBC Correspondent Services via prepaid FedEx envelope. B.B. again believed
8 that his investment was safe and that the investment was somehow affiliated with the Royal
9 Bank of Canada.

10 16. By the time Global received B.B.'s additional fifteen thousand dollars (\$15,000)
11 and was ready to effect the trade on March 26, 2014, the value of the bonds had further
12 decreased. Global purchased thirty-two thousand (32,000) of the Nii Capital Corp 10% Bonds
13 at a price significantly lower than what had originally been quoted to B.B. on March 10, 2014.

14 17. In April 2014, B.B. received his first statement for the time period of March 1 to
15 March 31, 2014 that showed a loss of three thousand nine hundred thirty-five dollars and
16 ninety-four cents (\$3,935.94) from his twenty-seven thousand dollar (\$27,000) initial
17 investments. The statement listed Mr. Snetzko as B.B.'s financial advisor.

18 18. In July 2014, B.B. received a second account statement for the time period of
19 April 1 to June 30, 2014 that showed an additional four thousand nine hundred forty dollars
20 (\$4,940.00) loss. The statement listed Mr. Snetzko as B.B.'s financial advisor.

21 19. On August 14, 2014, the day before B.B. was scheduled to receive his first
22 interest payment, the fifty-two thousand (52,000) Nii Capital Corp 10% Bonds were sold from
23 B.B.'s account. B.B.'s account statement reflects a realized loss of sixteen thousand sixty-six
24 dollars and sixty cents (\$16,066.60) from his twenty-four thousand three hundred eighty-seven

1 dollars and five cents (\$24,387.05) purchase price, which is a loss of almost sixty-six percent
2 (66%) over a five (5) month period. The proceeds from the sale were swept into B.B.'s money
3 market account and were not reinvested.

4 20. On or about November 20, 2014, B.B. requested that his account be closed and
5 that he receive a check for the money left in his account, which his statement showed as ten
6 thousand three hundred twenty-four dollars and ninety-two cents (\$10,324.92). On December
7 2, 2014, B.B. received a check for ten thousand three hundred twenty-four dollars and ninety-
8 two cents (\$10,324.92) from RBC.

9 II. CONCLUSIONS OF LAW

10 1. The bonds that Respondents offered and sold to B.B. were "securities" as that
11 term is defined in AS 45.55.990(32).

12 2. Respondent Snetzko violated AS 45.55.025(3) by approving and signing off
13 on the sale of Nii Capital Corp 10% Bonds to B.B..

14 III. ORDER

15 Without admitting or denying the findings of fact as outlined above, Respondent Snetzko
16 agrees to the following:

17 1. Respondent Snetzko is ordered to cease and desist from further conduct
18 violating the Alaska Securities Act pursuant to AS 45.55.920(a)(1)(A).

19 2. Respondent Snetzko is also ordered to pay sixteen thousand six hundred
20 seventy five dollars and eight cents (\$16,675.08) as restitution to B.B. Payment shall be
21 made to B.B. in the care of the State of Alaska, Division of Banking and Securities
22 according to the following schedule:

- 23 a. Respondent Snetzko agrees to make a first payment of eight thousand three
24 hundred thirty seven dollars and fifty four cents (\$8,337.54) by October 31,

1 DATED: October 23, 2015

/s/ Kevin Anselm

2 BY: Kevin Anselm, Director
3 Division of Banking and Securities

4 Consent to Entry of Order
5 Peter Snetzko

6 I, Peter Snetzko, state that I have read the foregoing Order and that I know and fully
7 understand the Order's contents; that I admit the jurisdiction of the Administrator; that I have
8 been advised of the right to a hearing; that I voluntarily and without any force or duress,
9 consent to the entry of this Order, expressly waiving any right to a hearing in this matter; that
10 I understand that the Administrator reserves the right to take further actions to enforce this
11 Order or to take appropriate action upon discovery of other violations of the Alaska
12 Securities Act; and that I will fully comply with the terms and conditions stated herein.

13 I understand that this Order is a public document.

14 10/15/15

/s/ Peter J. Snetzko

15 Date

Peter Snetzko

16
17 SUBSCRIBED AND SWORN TO before me this 15 day of October, 2015 at
18 New York, NY.

19 Anastasia V Zatula

20 Notary Public in and for

21 Anastasia Zatula

22 Notary Printed Name

23 My commission expires: Feb. 03, 2018

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