

Division of Securities  
Utah Department of Commerce  
160 East 300 South, 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
Telephone: (801) 530-6600  
FAX: (801)530-6980

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**BEFORE THE DIVISION OF SECURITIES  
OF THE DEPARTMENT OF COMMERCE  
OF THE STATE OF UTAH**

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**IN THE MATTER OF:**

**PREFERRED VENTURES, INC.  
VINCENT STROCCHIA**

**Respondents.**

**ORDER TO SHOW CAUSE**

**Docket No. Sb-08-0042  
Docket No. SD-08-0043**

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It appears to the Director of the Utah Division of Securities (Director) that Preferred Ventures, Inc. and Vincent Strocchia may have engaged in acts and practices that violate the Utah Uniform Securities Act, Utah Code Ann. § 61-1-1, et seq. (the Act). Those acts are more fully described herein. Based upon information discovered in the course of the Utah Division of Securities' (Division) investigation of this matter, the Director issues this Order to Show Cause in accordance with the provisions of § 61-1-20(1) of the Act.

**STATEMENT OF JURISDICTION**

1. Jurisdiction over the Respondents and the subject matter is appropriate because the Division alleges Respondents violated §§ 61-1-1 (securities fraud) and 61-1-3 (Sale by Unlicensed Agent) of the Act, while engaged in the offer of securities in Utah.

## **STATEMENT OF FACTS**

### **THE RESPONDENTS**

2. Preferred Ventures, Inc. (Preferred Ventures) is a New York corporation in good standing. Preferred Ventures was organized on July 18, 2007, and its corporate status is currently “active.” Preferred Ventures is not registered as a foreign corporation in Utah. Vincent Strocchia is the Chief Executive Officer of Preferred Ventures.
3. Vincent Strocchia (Strocchia) resides in New York County, New York.

### **GENERAL ALLEGATIONS**

4. In January and February 2008, Strocchia contacted Utah resident TJ and asked him to invest funds in a company by the name of World DLA.
5. Strocchia told TJ that Strocchia’s company, Preferred Ventures, was raising investment capital for major corporations.
6. Strocchia told TJ that World DLA had the technology to authenticate personal identification.
7. In early February 2008, TJ received a package in the mail from Strocchia, containing sales material for the following corporations seeking investor funds:
  - a. World DLA / World ID Check
  - b. Sticky/Illseed Entertainment
  - c. Global Verity, Inc.
8. On February 14, 2008, TJ contacted the Division and provided the Division with the sales literature he received from Strocchia.

WORLD DLA / WORLD ID CHECK

9. According to the sales literature for World DLA, the company has patented technology used to prevent identity theft.
10. On February 20, 2008, the Division contacted the listed Director of World DLA, Donald Meade, via e-mail, regarding World DLA's securities offering. Mr. Meade telephoned the Division and left a voice message, stating that "World DLA ceased its offer sometime ago and is not currently making offers."
11. The Division contacted Mr. Meade a second time via e-mail and received a response that the e-mail was "undeliverable."
12. The Division sent a second e-mail to the company's e-mail address, but received no response. World DLA's web page provides no other contact information.
13. The sales literature Strocchia mailed to TJ included a return envelope addressed to World ID Check in Lakeview, New York, where TJ was to mail his investment. A search of the address reveals no connection with World ID Check.

Sticky/Ilseed Entertainment

14. According to the sales literature for Sticky/Ilseed Entertainment, the company discovers and develops new talent in the music, motion picture, and television industries.
15. On February 26, 2008, the Division contacted Vincent Carroll, the marketing director listed for the company, via telephone. Mr. Carroll said he did not know the company, holds no position within the company, and did not know the company's listed general manager, Jeffrey Wooten.

16. On February 27, 2008, the Division received a telephone call from Jeffrey Wooten. Mr. Wooten claimed to be Strocchia's attorney. Mr. Wooten acknowledged that Strocchia mailed the investment package to TJ. Mr. Wooten also said he held no position within the company.
17. The Division has since repeatedly attempted to contact Mr. Wooten and has left voice messages, but none of the calls have been returned.

Global Verity, Inc.

18. The package mailed to TJ by Strocchia included two documents relating to Global Verity: an Escrow Agreement and a Subscription Agreement.
19. The Escrow Agreement stated that a company by the name of Farmingham Equities LTD would facilitate the exchange of cash to shares of Global Verity. The Escrow Agreement included a signature line for Donald Meade, the same person listed as the Director of World DLA.
20. The subscription agreement was to be completed by TJ in order to purchase shares in Global Verity.
21. Ray Kolynchuk is listed as the CEO and President of Global Verity.
22. On February 21, 2008, the Division contacted Mr. Kolynchuk in Canada. Mr. Kolynchuk stated Global Verity has put its capital fund raising on hold and he was unaware that Strocchia was raising money on behalf of Global Verity.
23. On March 18, 2008, the Division contacted Mr. Kolynchuck a second time. Mr. Kolynchuck said he does not know who Strocchia is and that he had contacted Strocchia

and instructed him to cease and desist from raising funds in the name of Global Verity.

24. The Division's telephone calls and e-mails to Strocchia, Mr. Wooten, and Mr. Meade have not been returned.

## **CAUSES OF ACTION**

### **COUNT I**

#### **Securities Fraud under § 61-1-1 of the Act (Preferred Ventures and Strocchia)**

25. The Division incorporates and re-alleges paragraphs 1 through 24.
26. The stock offered for sale by Preferred Ventures and Strocchia is a security under § 61-1-13 of the Act.
27. In connection with the offer of securities in Utah, Preferred Ventures and Strocchia, directly or indirectly, made false statements, including, but not limited to, the following:
- a. Preferred Ventures was formed to raise investment capital for major corporations; and
  - b. Preferred Ventures was raising investment capital for World DLA / World ID Check, Sticky/Illseed Entertainment, and Global Verity, Inc.
28. In connection with the offer of securities, Preferred Ventures and Strocchia, directly or indirectly, failed to disclose material information, including, but not limited to, the following, which was necessary in order to make representations made not misleading:
- a. Strocchia was not licensed to sell securities in Utah;
  - b. Global Verity was not raising funds and had not hired Preferred Ventures and Strocchia to raise funds on its behalf; and

- c. World DLA and Stocky/Illseed Entertainment, Inc., if the companies exist, had not hired Preferred Ventures and Strocchia to raise funds on their behalf.
29. Based upon the foregoing, Preferred Ventures, Inc. and Vincent Strocchia violated § 61-1-1 of the Act.

**COUNT II**  
**Sale by Unlicensed Agent under § 61-1-3 of the Act**  
**(Vincent Strocchia)**

30. The Division incorporates and re-alleges paragraphs 1 through 29.
31. Strocchia offered to sell securities in Utah.
32. When offering the securities on behalf of World DLA / World ID Check, Sticky/Illseed Entertainment, and Global Verity, Inc., Strocchia was acting as an agent of an issuer.
33. Strocchia has never been licensed to sell securities in Utah as an agent of these issuers, or any other issuer.
34. Based upon the foregoing, Vincent Strocchia violated § 61-1-3 of the Act.

**ORDER**

The Director, pursuant to § 61-1-20 of the Act, hereby orders the Respondents to appear at a formal hearing to be conducted in accordance with Utah Code Ann. §§ 63-46b-4 and 63-46b-6 through -10, and held before the Utah Division of Securities. The hearing will occur on Tuesday, May 6th, 2008, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2<sup>nd</sup> Floor, Salt Lake City, Utah. The purpose of the hearing is to establish a scheduling order and address any preliminary matters. If the Respondents fail to file an answer and appear at the hearing, the Division of Securities may hold

Respondents in default, and a fine may be imposed in accordance with Utah Code Ann. § 63-46b-11. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, the Respondents may show cause, if any they have:

- a. Why Preferred Ventures, Inc. and Vincent Strocchia should not be found to have engaged in the violations alleged by the Division in this Order to Show Cause;
- b. Why Preferred Ventures, Inc. and Vincent Strocchia should not be ordered to cease and desist from engaging in any further conduct in violation of Utah Code Ann. § 61-1-1, or any other section of the Act;
- c. Why Preferred Ventures, Inc. should not be ordered to pay a fine of twenty five thousand dollars (\$25,000) to the Division of Securities; and
- d. Why Vincent Strocchia should not be ordered to pay a fine of fifty thousand dollars (\$50,000) to the Division of Securities.

DATED this 3<sup>rd</sup> day of April, 2008.

  
THAD LEVAR  
Acting Director, Utah Division of Securities



Approved:

  
JEFF BUCKNER  
Assistant Attorney General

D. H.

Division of Securities  
Utah Department of Commerce  
160 East 300 South, 2<sup>nd</sup> Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
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**IN THE MATTER OF:**

**PREFERRED VENTURES, INC.  
VINCENT STROCCHIA**

**Respondents.**

**NOTICE OF AGENCY ACTION**

Docket No. SD-08-0042  
Docket No. SD-08-0043

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THE DIVISION OF SECURITIES TO THE ABOVE-NAMED RESPONDENTS:

The purpose of this Notice of Agency Action is to inform you that the Division hereby commences a formal adjudicative proceeding against you as of the date of the mailing of the Order to Show Cause. The authority and procedure by which this proceeding is commenced are provided by Utah Code Ann. §§ 63-46b-3 and 63-46b-6 through 11. The facts on which this action is based are set forth in the foregoing Order to Show Cause.

Within thirty (30) days of the mailing date of this notice, you are required to file an Answer with the Division. The Answer must include the information required by Utah Code § 63-46b-6 (1). In addition, you are required by § 63-46b-6 (3) to state: a) by paragraph, whether

you admit or deny each allegation contained in the Order to Show Cause, including a detailed explanation for any response other than an unqualified admission; b) any additional facts or documents which you assert are relevant in light of the allegations made; and c) any affirmative defenses (including exemptions or exceptions contained within the Utah Uniform Securities Act) which you assert are applicable. To the extent that factual allegations or allegations of violations contained in the Order to Show Cause are not disputed in your Answer, they will be deemed admitted.

Your Answer, and any future pleadings or filings that should be part of the official files in this matter, should be sent to the following:

Signed originals to:

Administrative Court Clerk  
c/o Pam Radzinski  
Division of Securities  
160 E. 300 S., Second Floor  
Box 146760  
Salt Lake City, UT 84114-6760  
(801) 530-6600

A copy to:

Jeff Buckner  
Assistant Attorney General  
160 E. 300 S., Fifth Floor  
Box 140872  
Salt Lake City, UT 84114-0872  
(801) 366-0310

A hearing date has been set for Tuesday, May 6th, 2008, at 9:00 a.m., at the office of the Utah Division of Securities, located in the Heber Wells Building, 160 East 300 South, 2<sup>nd</sup> Floor, Salt Lake City, Utah.

If you fail to file an Answer, as set forth herein, or fail to appear at the hearing, the Division of Securities may hold you in default, and a fine and other sanctions may be imposed

against you in accordance with Utah Code Ann. § 63-46b-11, without the necessity of providing you with any further notice. In lieu of default, the Division may decide to proceed with the hearing under § 63-46b-10. At the hearing, you may appear and be heard and present evidence on your behalf. You may be represented by counsel during these proceedings.

The Administrative Law Judge will be J. Steven Eklund, Utah Department of Commerce, 160 East 300 South, P.O. Box 146701, Salt Lake City, UT 84114-6701, telephone (801) 530-6648. Pursuant to U.C.A. Subsection 63-46b-2(1)(h), Mr. Eklund is hereby designated as presiding officer for the purpose of conducting this formal administrative proceeding. Questions regarding the Order to Show Cause and Notice of Agency Action should be directed to the Division's attorney, Jeff Buckner, at (801) 366-0310.

DATED this 3<sup>rd</sup> day of April, 2008.

  
THAD LEVAR  
Acting Director, Division of Securities  
Utah Department of Commerce



**Certificate of Mailing**

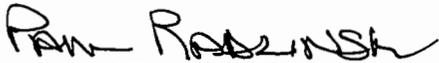
I certify that on the 3RD day of APRIL, 2008, I mailed, via certified mail, a true and correct copy of the Order to Show Cause and Notice of Agency Action to:

Vincent Strocchia / Preferred Ventures, Inc.  
100 Park Avenue, 16<sup>th</sup> Floor  
New York, NY 10017

Certified Mail # 7004116000301956566

Preferred Ventures, Inc.  
C/O Corporation Service Company, Registered Agent  
80 State Street  
Albany, NY 12207

Certified Mail # 7004116000301956559

  
Executive Secretary