

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:)	
)	ORDER TO CEASE AND DESIST
Fred Auzenne and)	
BioNovix Incorporated,)	
)	
Respondents.)	File Number: 13104
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WHEREAS the Securities Division of the Office of the Attorney General of the State of

South Carolina (the "Division") has been authorized and directed by the Securities Commissioner of South Carolina (the "Securities Commissioner") to administer the provisions of S.C. Code Ann. § 35-1-101, *et seq.*, the South Carolina Uniform Securities Act of 2005 (the "Act"); and

WHEREAS, the Division received information regarding alleged activities of Fred

Auzenne ("Auzenne") and BioNovix Incorporated ("BioNovix") (collectively the

3. Respondent BioNovix is a former Arizona Corporation with a last known address of 16410 N 91st Street, Suite 110, Scottsdale, Arizona 85260.

III. FINDINGS OF FACT

4. Respondent BioNovix was a health care company allegedly formed in order to

develop and sell various health care products

5. Beginning in 2006, Respondent Auzenne served as the Chief Executive Officer,

11. Respondents engaged the Promoter to offer the Shares to the attendees at her

c. Omitting to disclose the significant contingent liability faced by Respondent BioNovix in light of its failure to register the Shares and the lack of applicability

of any exemption from registration;

d. Omitting to disclose that the Shares could not legally be offered for sale in one or more of the jurisdictions in which they were offered or sold;

e. Omitting to disclose there was no reasonable basis for the projected return on

investment for

f. Omitting to disclose that Respondents compensated the Promoter through direct payments, or the purchase of various materials authored by the Promoter, or both; and

19. Pursuant to S.C. Code Ann. § 35-1-102(2), an agent is an individual other than

broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or

sales of securities.

of the issuer's securities.

20. Pursuant to S.C. Code Ann. § 35-1-102(29), stock, investment contracts, and certificates of interest or participation in profit-sharing agreements, *inter alia*, constitute securities.

21. Pursuant to S.C. Code Ann. § 35-1-301, it is unlawful for a person to offer or sell

made, not misleading; or (3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

25. Pursuant to S.C. Code Ann. § 35-1-604(a),

determines that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or a rule adopted or order issued under the Act, the Securities Commissioner may issue an order directing the person to cease and desist from engaging in the act, practice, or course of business or to take other action necessary or appropriate to comply with the Act.

26. Pursuant to S.C. Code Ann. § 35-1-604(b), an order issued under § 35-1-604(a) is effective on the date of issuance and must include a statement of any civil penalty or costs of investigation the Division will

31. Respondents sold securities in this State in violation of

or artifice to defraud; (2) through the making of untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances in which they were made, not misleading; and (3) by engaging in an act, practice, or course of business that operated as a fraud or deceit upon another person.

32. It is in the public interest for the court to

purposes of the Act that Respondents be ordered to cease and desist from engaging in the above enumerated practices which constitute violations of the Act and pay an appropriate civil penalty.

Thousand Dollars (\$10,000) for each violation of the Act by Respondent Auzenne, and the actual cost of the investigation or proceeding; and

IT IS FURTHER ORDERED that, pursuant to S.C. Code Ann. § 35-1-604(a)(2) and (3), any exemption from registration with the Division that Respondents

under S.C. Code Ann. §§ 35-1-201(3)(C), (7), or (8); 35-1-202; 35-1-401(b)(1)(D) or (F); or 35-1-403(b)(1)(C), has been and is **PERMANENTLY REVOKED**.

VI. REQUIREMENT OF ANSWER AND NOTICE OF OBJECTION

The Respondents are hereby notified that they each have the right to a hearing on the matters contained herein. To schedule such a hearing, a Respondent must file with the Securities Division, Post Office Box 11549, Rembert C. Dennis Building, Columbia, South Carolina, 29211-1549, attention: Thresechia Navarro, within thirty (30) days after the date of service of this Order to Comply with the

shall result in this Order, including the stated civil penalty and any assessed costs, becoming

final as to that Respondent by operation of law.

CONTINUING TO ENGAGE IN ACTS DETAILED BY THIS ORDER AND/OR SIMILAR ACTS MAY RESULT IN THE DIVISION'S FILING ADDITIONAL ADMINISTRATIVE ACTIONS AND/OR SEEKING FURTHER ADMINISTRATIVE FINES. WILLFUL VIOLATION OF THIS ORDER COULD RESULT IN CRIMINAL PENALTIES PURSUANT TO S.C. CODE ANN. § 35-1-508.

ENTERED, this the 20th day of February, 2014.

ALAN WILSON
SECURITIES COMMISSIONER

By: Tracy Meyers
TRACY A. MEYERS
Assistant

ISSUANCE REQUESTED BY:



IAN P. VESCHLER
Assistant Attorney General
Securities Division
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