

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8965 / September 29, 2008

INVESTMENT COMPANY ACT OF 1940
Release No. 28415 / September 29, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13256

In the Matter of

**GREEN GLOBE
INTERNATIONAL, INC.**

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST AND EXEMPTION SUSPENSION PROCEEDINGS, MAKING FINDINGS, IMPOSING A CEASE-AND-DESIST ORDER, AND PERMANENTLY SUSPENDING THE REGULATION E EXEMPTION AS TO GREEN GLOBE INTERNATIONAL, INC., PURSUANT TO SECTION 9(f) OF THE INVESTMENT COMPANY ACT OF 1940 AND RULE 610(c) OF REGULATION E

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist and exemption suspension proceedings be, and hereby are, instituted pursuant to Section 9(f) of the Investment Company Act of 1940 (“Investment Company Act”) and Rule 610(c) of Regulation E against Green Globe International, Inc. (“GGI” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist and Exemption Suspension Proceedings, Making Findings, Imposing a Cease-and-Desist Order, and Permanently Suspending the Regulation E Exemption as to Green Globe International, Inc., Pursuant to Section 9(f) of the Investment Company Act of 1940 and Rule 610(c) of Regulation E (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that:

Summary

1. Since electing to be regulated as a business development company ("BDC") in January 2005, GGI has, among other things, issued rights to purchase securities without expiration to its non-security holders, issued prohibited non-voting stock, and improperly repurchased its own shares. As a result, GGI violated Sections 18(d), 18(i), and 23(c), respectively, of the Investment Company Act. In addition, from January 25, 2005, through August 9, 2006, GGI did not obtain a fidelity bond as required under Section 17(g) of the Investment Company Act and Rule 17g-1 thereunder. Finally, GGI failed to comply with Rule 609 of Regulation E because it did not file offering status reports on Form 2-E in connection with a securities offering under Regulation E commenced in January 2005.

Respondent

2. GGI is a Delaware corporation with its principal offices located in Aliso Viejo, California. It elected to be regulated as a BDC on January 25, 2005, and withdrew its election on November 15, 2006. Prior to its BDC election, GGI was an operating company known as Apollo Holdings, Inc., which provided direct access to certain travel industry reservations systems. GGI's securities are registered under Section 12(g) of the Securities Exchange Act of 1934 and are quoted on the OTC Bulletin Board under the symbol GGLB.

Issuing Convertible Senior Securities and Convertible Securities with Unequal Voting Rights

3. On February 10, 2005, GGI issued 10 million shares of Series A-preferred stock to a GGI officer in return for 5 million shares of common stock. The Series-A preferred stock was non-interest bearing and was not entitled to receive a dividend. Each share of Series-A preferred stock was convertible into one share of common stock at any time 12 months after issuance and would convert automatically upon liquidation. Finally, the Series-A preferred stock had no voting rights, except that its owners were entitled to elect a majority of GGI's board.

4. On July 1, 2005, GGI issued 100,000 shares of Series-B preferred stock to the holder of the Series-A preferred stock in return for 100,000 shares of the Series-A preferred stock. GGI also issued 4,450,000 shares of restricted common stock for the remaining shares of the Series-A preferred shares. Each Series-B preferred share was convertible into one share of common stock at any time and would convert automatically upon liquidation. The Series-B preferred stock was entitled to dividends in parity with GGI's common stock. Finally, the Series-B preferred stock had

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

no voting rights, except that its owners were entitled to elect a majority of GGI's board. On February 9, 2006, GGI converted the Series-B preferred stock to 100,000 shares of common stock.

5. Between January 31, 2005 and June 30, 2005, GGI issued \$245,000 in convertible debentures to private investors. The debentures had an 8% interest rate, matured within 180 days of their issuance, and converted at a price equal to 50% of GGI common stock's closing bid price on conversion date. Between January 25, 2005, and December 31, 2005, these debenture holders converted debentures with a face amount of \$416,000 into 86,200,000 shares of common stock.

6. Section 18 of the Investment Company Act is made applicable to BDCs by Section 61(a) of the Investment Company Act, subject to certain exceptions. Section 18(d), as applicable to BDCs, generally prohibits them from issuing "any warrant or right to subscribe to or purchase a security of which such company is the issuer, except in the form of warrants or rights to subscribe expiring not later than one hundred and twenty days after their issuance, and issued exclusively and ratably to a class or classes of such company's security holders." The conversion features of GGI's Series-A and Series-B preferred stock and convertible debentures, which constituted rights to subscribe to or purchase securities, did not provide that the conversion feature would expire not later than 120 days after their issuance as required under Section 18(d).

7. Section 61(a)(3) allows a BDC, notwithstanding Section 18(d), to issue warrants, options, or rights to subscribe or convert to voting securities that are accompanied by securities if, among other things, the BDC's shareholders authorize, and a majority of the BDC's disinterested directors approves, the proposal to issue such securities.

8. GGI's shareholders did not authorize the issuance of the conversion feature on the Series-A and -B preferred shares and convertible debentures.

9. With certain exceptions not relevant here, Section 18(i) of the Investment Company Act provides that every share of stock issued by a BDC shall be a voting stock and have equal voting rights with every other outstanding voting stock. GGI's Series-A and Series-B preferred stock did not have voting rights equal to that of its common stock.

Repurchase of Securities

10. With certain exceptions not relevant here, Section 23(c) of the Investment Company Act generally prohibits a closed-end company from purchasing its own shares. GGI's February 10, 2005 issuance of 10 million shares of Series-A preferred stock to an officer in return for 5 million shares of common stock constituted a purchase of its own shares.

Failure to Provide and Maintain a Fidelity Bond

11. Section 17(g) of the Investment Company Act and Rule 17g-1 thereunder, which Section 59 makes applicable to BDCs, require each BDC to provide and maintain a bond issued by a reputable fidelity insurance company against larceny and embezzlement by officers and employees of the BDC. From January 25, 2005, through August 9, 2006, GGI did not provide and maintain a fidelity bond.

Violations

12. As a result of the conduct described above, GGI violated Sections 17(g), 18(d), 18(i), and 23(c) of the Investment Company Act and Rule 17g-1 thereunder.

Failure to Comply with Rule 609 of Regulation E

13. On January 26, 2005, GGI filed a Form 1-E notification of stock issuance pursuant to the securities registration exemption under Securities Act of 1933 Regulation E. The filing included a required offering circular, which provided certain disclosures regarding the offering. Rule 609 of Regulation E requires that, within 30 days after the end of each six-month period following the date of the original offering circular, or upon the termination of the offering, whichever is earlier, an issuer must file a report on Form 2-E, providing certain information regarding the status of the offering. GGI did not file the Form 2-E that was due within 30 days after July 26, 2005 until September 30, 2005. Therefore, GGI failed to comply with Rule 609.

14. Under Regulation E, Rule 610(c), the Commission may, at any time after notice of and opportunity for hearing, enter an order permanently suspending an issuer's Regulation E exemption, if the Commission has reason to believe, among other things, that any of the terms or conditions of Regulation E have not been complied with, including failure to file any report as required by Rule 609.

Respondent's Remedial Efforts

15. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Respondent and cooperation afforded the Commission staff.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent GGI's Offer.

Accordingly, pursuant to Section 9(f) of the Investment Company Act and Rule 610(c) of Regulation E, it is hereby ORDERED that:

A. Respondent GGI cease and desist from committing or causing any violations and any future violations of Sections 17(g), 18(d), 18(i), and 23(c) of the Investment Company Act and Rule 17g-1 thereunder.

B. The Regulation E exemption as to Respondent GGI be, and hereby is, permanently suspended.

By the Commission.

Florence E. Harmon
Acting Secretary