

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8973 / September 30, 2008

INVESTMENT COMPANY ACT OF 1940
Release No. 28424 / September 30, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-13268

In the Matter of

**GLOBAL BEVERAGE
SOLUTIONS, 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 GLOBAL
BEVERAGE SOLUTIONS, 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 Global Beverage Solutions, Inc. (“Global Beverage” 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 Global Beverage Solutions, 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 June 2003, Global Beverage Solutions, Inc. ("Global Beverage") has, among other things, issued rights to purchase its securities without expiration to non-security holders, issued prohibited non-voting stock, and issued shares for services or property other than cash or securities. As a result, Global Beverage violated Sections 18(d), 18(i), and 23(a), respectively, of the Investment Company Act. In addition, Global Beverage failed to obtain a fidelity bond as required under Section 17(g) of the Investment Company Act and Rule 17g-1 thereunder. Finally, Global Beverage failed to comply with Rule 609 of Regulation E because it did not file an offering status report on Form 2-E in connection with securities offerings under Regulation E commenced in June 2003, June 2005, January 2006, March 2006 and January 2007.

Respondent

2. Global Beverage is a Nevada corporation with its principal offices located in Plantation, Florida. It elected to be regulated as a BDC on June 19, 2003, and withdrew its election on January 8, 2008. Prior to its BDC election, Global Beverage was an operating company known as Aussie Apparel Group LTD. Global Beverage'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 GBVS.

Issuing Convertible Securities with Unequal Voting Rights

3. From November 2004, through March 2005, Global Beverage issued convertible debentures to investors in a private transaction in exchange for \$425,000. These debentures converted at the holder's option at prices between \$0.0035 and \$0.001 per share.

4. Between June 2006 and September 2006, Global Beverage issued promissory notes to investors in a private transaction in exchange for \$1.8 million. The promissory notes, which were convertible into Global Beverage restricted common stock at a rate of \$.50 per share, had an 8% interest rate per year and matured within one year of their issuance.

5. As of December 31, 2004, Global Beverage issued 190,000 shares of Series-B convertible preferred stock. This preferred stock had a 6% annual dividend in cash or stock and converted to common shares at 80% of the market price. The conversion rate was based on the ten-day average

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.

of the lowest closing bid price for Global Beverage's stock prior to the date of conversion. The Series-B preferred stock owners were entitled to elect one director of Global Beverage's board.

6. As of December 31, 2004, Global Beverage also issued 10 million shares of Series-C convertible preferred stock. The Series C-preferred stock, which was not entitled to receive dividends, converted to common stock on a one-to-one basis. The Series C-preferred stock had no voting rights, except that its owners were entitled to elect two directors to Global Beverage's board.

7. 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(i) of the 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. Here, Global Beverage's preferred stock did not have voting rights equal to that of its common stock.

8. 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 securities holders." The conversion feature on Global Beverage's convertible debentures, promissory notes, and preferred stock, 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.

9. 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. Global Beverage's shareholders did not authorize the issuance of the debentures, promissory notes, or preferred stock.

Issuance of Shares for Services

10. Section 23(a) of the Investment Company Act, which Section 63 makes applicable to BDCs, generally prohibits any closed-end company from issuing securities for services or for property other than cash or securities. Between the date of its election as a BDC and December 31, 2003, Global Beverage issued 239,250 shares of stock to individuals for services.

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. Global Beverage did not provide and maintain a fidelity bond.

Violations

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

Failure to Comply with Rule 609 of Regulation E

13. On June 20, 2003, June 22, 2005, January 3, 2006, March 14, 2006, and January 3, 2007, Global Beverage filed a Form 1-E notification of stock issuance pursuant to the securities-registration exemption under Securities Act of 1933 Regulation E. The filings 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. Global Beverage did not file the Form 2-E for the June 20, 2003 and the January 3, 2007 Regulation E offerings that were due within 30 days after December 20, 2003 and July 3, 2007, within the required statutory period, nor has it ever filed Forms 2-E for the January 3, 2006 or March 14, 2006 Regulation E offering. Therefore, Global Beverage 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 the 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 Global Beverage'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 Global Beverage cease and desist from committing or causing any violations and any future violations of Sections 17(g), 18(d), 18(i), and 23(a) of the Investment Company Act and Rule 17g-1 thereunder.

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

By the Commission.

Florence E. Harmon
Acting Secretary