

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10559 / September 21, 2018

SECURITIES EXCHANGE ACT OF 1934
Release No. 84264 / September 21, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18825

In the Matter of

**CMB EXPORT, LLC; PATRICK F. HOGAN; CMB
INFRASTRUCTURE INVESTMENT GROUP VI-C,
LP; CMB INFRASTRUCTURE INVESTMENT
GROUP VII, LP; CMB INFRASTRUCTURE
INVESTMENT GROUP VIII, LP; CMB
INFRASTRUCTURE INVESTMENT GROUP IX,
LP; CMB INFRASTRUCTURE INVESTMENT
GROUP X, LP; CMB EXPORT INFRASTRUCTURE
INVESTMENT GROUP XI, LP; CMB EXPORT
INFRASTRUCTURE INVESTMENT GROUP XII,
LP; CMB EXPORT INFRASTRUCTURE
INVESTMENT GROUP XIII, LP; CMB EXPORT
INFRASTRUCTURE INVESTMENT GROUP XIV,
LP; CMB EXPORT INFRASTRUCTURE
INVESTMENT GROUP XV, LP; CMB EXPORT
INFRASTRUCTURE INVESTMENT GROUP XVI,
LP; CMB EXPORT INFRASTRUCTURE
INVESTMENT GROUP XVII, LP; CMB EXPORT
INFRASTRUCTURE INVESTMENT GROUP XVIII,
LP; CMB TEXAS INFRASTRUCTURE
INVESTMENT GROUP XIX, LP; CMB TEXAS
INFRASTRUCTURE INVESTMENT GROUP 20,
LP; CMB TEXAS INFRASTRUCTURE
INVESTMENT GROUP 21, LP; CMB TEXAS
INFRASTRUCTURE INVESTMENT GROUP 22,
LP; CMB EXPORT INFRASTRUCTURE
INVESTMENT GROUP 23, LP; CMB TEXAS
INFRASTRUCTURE INVESTMENT GROUP 24,
LP; CMB TEXAS INFRASTRUCTURE
INVESTMENT GROUP 25, LP; CMB FLORIDA**

**ORDER INSTITUTING
CEASE-AND-DESIST
PROCEEDINGS, PURSUANT
TO SECTIONS 8A OF THE
SECURITIES ACT OF 1933
AND 21C OF THE
SECURITIES EXCHANGE
ACT OF 1934, MAKING
FINDINGS, AND IMPOSING
A CEASE-AND-DESIST
ORDER**

INFRASTRUCTURE INVESTMENT GROUP 26, LP; CMB TEXAS INFRASTRUCTURE INVESTMENT GROUP 27, LP; CMB EXPORT INFRASTRUCTURE INVESTMENT GROUP 28, LP; CMB EXPORT INFRASTRUCTURE INVESTMENT GROUP 29, LP; CMB TENNESSEE INFRASTRUCTURE INVESTMENT GROUP 30 LP; CMB EXPORT INFRASTRUCTURE INVESTMENT GROUP 31, LP; CMB NORTH DAKOTA INFRASTRUCTURE INVESTMENT GROUP 32, LP; CMB PENNSYLVANIA INFRASTRUCTURE INVESTMENT GROUP 33, LP; CMB EXPORT INFRASTRUCTURE INVESTMENT GROUP 34, LP; CMB EXPORT INFRASTRUCTURE INVESTMENT GROUP 35, LP; CMB MARYLAND INFRASTRUCTURE INVESTMENT GROUP 37, LP; CMB TEXAS INFRASTRUCTURE INVESTMENT GROUP 40, LP; CMB COLORADO INFRASTRUCTURE INVESTMENT GROUP 41, LP; CMB INDIANA INFRASTRUCTURE INVESTMENT GROUP 43, LP; CMB TEXAS INFRASTRUCTURE INVESTMENT GROUP 45, LP; CMB NEBRASKA INFRASTRUCTURE INVESTMENT GROUP 47, LP; AND CMB NORTH CAROLINA INFRASTRUCTURE INVESTMENT GROUP 50, LP

Respondents.

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against CMB Export, LLC (“CMB Export”) and Patrick F. Hogan (“Hogan”) and pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) against CMB Infrastructure Investment Group VI-C, LP; CMB Infrastructure Investment Group VII, LP; CMB Infrastructure Investment Group VIII, LP; CMB Infrastructure Investment Group IX, LP; CMB Infrastructure Investment Group X, LP; CMB Export Infrastructure Investment Group XI, LP; CMB Export Infrastructure Investment Group XII, LP; CMB Export Infrastructure Investment Group XIII, LP; CMB Export Infrastructure Investment Group XIV, LP; CMB Export Infrastructure Investment Group XV, LP; CMB Export Infrastructure Investment Group XVI, LP; CMB Export Infrastructure Investment Group XVII, LP; CMB Export Infrastructure Investment Group XVIII, LP; CMB Texas Infrastructure Investment Group XIX, LP; CMB Texas Infrastructure Investment Group 20, LP; CMB Texas Infrastructure Investment Group 21, LP; CMB Texas Infrastructure Investment Group 22, LP; CMB Export Infrastructure Investment

Group 23, LP; CMB Texas Infrastructure Investment Group 24, LP; CMB Texas Infrastructure Investment Group 25, LP; CMB Florida Infrastructure Investment Group 26, LP; CMB Texas Infrastructure Investment Group 27, LP; CMB Export Infrastructure Investment Group 28, LP; CMB Export Infrastructure Investment Group 29, LP; CMB Tennessee Infrastructure Investment Group 30 LP; CMB Export Infrastructure Investment Group 31, LP; CMB North Dakota Infrastructure Investment Group 32, LP; CMB Pennsylvania Infrastructure Investment Group 33, LP; CMB Export Infrastructure Investment Group 34, LP; CMB Export Infrastructure Investment Group 35, LP; CMB Maryland Infrastructure Investment Group 37, LP; CMB Texas Infrastructure Investment Group 40, LP; CMB Colorado Infrastructure Investment Group 41, LP; CMB Indiana Infrastructure Investment Group 43, LP; CMB Texas Infrastructure Investment Group 45, LP; CMB Nebraska Infrastructure Investment Group 47, LP; and CMB North Carolina Infrastructure Investment Group 50, LP (collectively, “Certain CMB Limited Partnerships” and, together with CMB Export and Hogan, “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”) 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 them and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings, Pursuant to Sections 8A of the Securities Act Of 1933 and 21C of the Securities Exchange Act Of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondents’ Offers, the Commission finds¹ that:

Summary

1. Between 2011 and 2015, CMB Export and Hogan entered into agreements with and paid or caused to be paid transaction-based compensation to unregistered broker-dealers, thereby causing violations of Section 15(a)(1) of the Exchange Act.
2. Between 2011 and 2015, each of the Certain CMB Limited Partnerships offered its limited partnership interests without registering the offering and lacking a valid exemption from registration, thereby violating Section 5(a) and (c) of the Securities Act.

¹ The findings herein are made pursuant to Respondents’ Offers of Settlement and are not binding on any other person or entity in this or any other proceeding.

Respondents

3. CMB Export is a federally-designated regional center whose investment vehicles are offered as limited partnership interests. CMB Export acts as a general partner of certain of those limited partnerships. It is privately held and located in Rock Island, Illinois.
4. During the relevant time period, Patrick F. Hogan, age 64, was a resident of Milan, Illinois and CEO and Manager of CMB Export.
5. CMB Infrastructure Investment Group VI-C, LP is a California limited partnership that offered limited partnership interests in 2011.
6. CMB Infrastructure Investment Group VII, LP is a California limited partnership that offered limited partnership interests in 2011.
7. CMB Infrastructure Investment Group VIII, LP is a California limited partnership that offered limited partnership interests in 2012.
8. CMB Infrastructure Investment Group IX, LP is a California limited partnership that offered limited partnership interests in 2012.
9. CMB Infrastructure Investment Group X, LP is an Illinois limited partnership that offered limited partnership interests in 2012.
10. CMB Export Infrastructure Investment Group XI, LP is a California limited partnership that offered limited partnership interests in 2013.
11. CMB Export Infrastructure Investment Group XII, LP is a California limited partnership that offered limited partnership interests in 2013.
12. CMB Export Infrastructure Investment Group XIII, LP is a California limited partnership that offered limited partnership interests in 2013.
13. CMB Export Infrastructure Investment Group XIV, LP is a California limited partnership that offered limited partnership interests in 2013.
14. CMB Export Infrastructure Investment Group XV, LP is a California limited partnership that offered limited partnership interests in 2013.
15. CMB Export Infrastructure Investment Group XVI, LP is a Delaware limited partnership that offered limited partnership interests in 2013.

16. CMB Export Infrastructure Investment Group XVII, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
17. CMB Export Infrastructure Investment Group XVIII, LP is a California limited partnership that offered limited partnership interests in 2013.
18. CMB Texas Infrastructure Investment Group XIX, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
19. CMB Texas Infrastructure Investment Group 20, LP is a Texas limited partnership that offered limited partnership interests in 2013.
20. CMB Texas Infrastructure Investment Group 21, LP is an Illinois limited partnership that offered limited partnership interests in 2013.
21. CMB Texas Infrastructure Investment Group 22, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
22. CMB Export Infrastructure Investment Group 23, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
23. CMB Texas Infrastructure Investment Group 24, LP is an Illinois limited partnership that offered limited partnership interests in 2013.
24. CMB Texas Infrastructure Investment Group 25, LP is a Delaware limited partnership that offered limited partnership interests in 2013 and 2014.
25. CMB Florida Infrastructure Investment Group 26, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
26. CMB Texas Infrastructure Investment Group 27, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
27. CMB Export Infrastructure Investment Group 28, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
28. CMB Export Infrastructure Investment Group 29, LP is a Delaware limited partnership that offered limited partnership interests in 2014.
29. CMB Tennessee Infrastructure Investment Group 30 LP is a Tennessee limited partnership that offered limited partnership interests in 2013.
30. CMB Export Infrastructure Investment Group 31, LP is a Delaware limited partnership that offered limited partnership interests in 2014.

31. CMB North Dakota Infrastructure Investment Group 32, LP is an Illinois limited partnership that offered limited partnership interests in 2013.

32. CMB Pennsylvania Infrastructure Investment Group 33, LP is a Delaware limited partnership that offered limited partnership interests in 2014.

33. CMB Export Infrastructure Investment Group 34, LP is a Delaware limited partnership that offered limited partnership interests in 2014.

34. CMB Export Infrastructure Investment Group 35, LP is a Delaware limited partnership that offered limited partnership interests in 2015.

35. CMB Maryland Infrastructure Investment Group 37, LP is a Delaware limited partnership that offered limited partnership interests in 2014.

36. CMB Texas Infrastructure Investment Group 40, LP is a Delaware limited partnership that offered limited partnership interests in 2015.

37. CMB Colorado Infrastructure Investment Group 41, LP is a Delaware limited partnership that offered limited partnership interests in 2015.

38. CMB Indiana Infrastructure Investment Group 43, LP is a Delaware limited partnership that offered limited partnership interests in 2015.

39. CMB Texas Infrastructure Investment Group 45, LP is a Delaware limited partnership that offered limited partnership interests in 2015.

40. CMB Nebraska Infrastructure Investment Group 47, LP is a Delaware limited partnership that offered limited partnership interests in 2015.

41. CMB North Carolina Infrastructure Investment Group 50, LP is a Delaware limited partnership that offered limited partnership interests in 2015.

Background

42. The United States Congress created the Immigrant Investor Program, also known as the “EB-5 Program,” in 1990 to stimulate the U.S. economy through job creation and capital investment by foreign investors. The EB-5 Program is administered by the United States Citizenship and Immigration Services (“USCIS”). The EB-5 Program offers EB-5 visas to foreign individuals who invest \$1 million in a new commercial enterprise that creates or preserves at least 10 full-time jobs for qualifying U.S. workers (or \$500,000 in a new enterprise located in a rural area or an area of high unemployment). A certain number of EB-5 visas are set aside for foreign investors in designated regional centers. A regional center is defined as “any economic unit, public

or private, which is involved with the promotion of economic growth, including increased export sales, improved regional productivity, job creation, and increased domestic capital investment.” 8 C.F.R. § 204.6(e) (2015).

CMB Export and Hogan Caused Unregistered Broker Violations

43. At certain times prior to December 2015, CMB Export, at the direction of Hogan, relied on U.S. individuals and entities (“Referrers”) to source foreign investors to purchase limited partnership interests (“EB-5 Securities”) offered by Certain CMB Limited Partnerships. CMB Export entered into agreements with the Referrers which permitted the Referrers to, among other things, create marketing documents, advertise outside of the United States, and conduct seminars outside of the United States in order to introduce the EB-5 Securities to foreign individuals. At various times, the Referrers recommended EB-5 Securities to foreign individuals, acted as a liaison between the foreign individuals and CMB Export, and facilitated the transfer and/or documentation of investment funds to CMB Export.

44. CMB Export paid or caused to be paid to Referrers transaction-based compensation for the activities which effectuated investors’ transactions in EB-5 Securities. On one or more occasions, CMB Export and Hogan, at the direction of a Referrer, paid or caused to be paid transaction-based compensation to certain foreign bank accounts despite the fact that the Referrer was U.S. based.

45. As a result of the conduct described above, CMB Export and Hogan caused the Referrers to violate Section 15(a)(1) of the Exchange Act. Section 15(a)(1) makes it unlawful for any broker or dealer which is either a person other than a natural person or a natural person not associated with a broker or dealer to make use of the mails or any means or instrumentality of interstate commerce “to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security” unless such broker or dealer is registered in accordance with Section 15(b) of the Exchange Act.

Certain CMB Limited Partnerships Failed to Comply with Registration Requirements

46. Each of the Certain CMB Limited Partnerships offered EB-5 Securities in the form of limited partnership interests between 2011 and 2015 without registering the offerings with the Commission and lacking a valid exemption from registration.

47. By doing so, each of the Certain CMB Limited Partnerships violated Section 5(a) and (c) of the Securities Act. Section 5(a) of the Securities Act prohibits the use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security unless a registration statement is in effect as to such security. Section 5(c) of the Securities Act prohibits the use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy a security unless a registration statement has been filed as to such security.

CMB Export, Hogan, and Affiliates Cooperated and Made Compliance Changes

48. In determining to accept the Offers, the Commission considered that during the course of the investigation, CMB Export and its affiliates, at Hogan's direction, meaningfully cooperated with the Commission staff, and in 2015, began an intensive process to develop and implement an effective securities compliance program. The changes were designed to ensure robust compliance with the federal securities laws, including the registration requirements and broker-dealer regulations. The process resulted in a comprehensive securities compliance policy and training program. Although the law does not require it, CMB Export and its affiliates, at the direction of Hogan, organized a compliance team to operate out of the headquarters of CMB Export and its affiliates; began working with a licensed broker-dealer; and hired an independent auditor who audited all CMB limited partnerships from 2007 forward.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondents CMB Export and Hogan shall cease and desist from committing or causing any violations and any future violations of Section 15(a)(1) of the Exchange Act, and pursuant to Section 8A of the Securities Act, Respondents Certain CMB Limited Partnerships shall cease and desist from committing or causing any violations and any future violations of Section 5(a) and 5(c) of the Securities Act.

B. Respondent CMB Export shall pay a civil money penalty in the amount of \$5,150,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: (1) 25% of the total amount within ten (10) days of the entry of this Order, (2) 25% of the total amount within one hundred twenty (120) days of the entry of this Order, and (3) 25% of the total amount within two hundred forty (240) days of the entry of this Order, and 25% of the total amount within three hundred sixty (360) days of the entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance plus any additional interest accrued pursuant to 31 U.S.C. §3717, shall be due and payable immediately, without further application.

Respondent Hogan shall pay a civil money penalty in the amount of \$515,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: (1) 25% of the total amount within ten (10) days of the entry of this Order, (2) 25% of the total amount within one hundred twenty (120) days of the entry of this Order, and (3) 25% of the total amount within two hundred forty (240) days of the entry of this Order, and 25% of the

total amount within three hundred sixty (360) days of the entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance plus any additional interest accrued pursuant to 31 U.S.C. §3717, shall be due and payable immediately, without further application.

Respondents CMB Infrastructure Investment Group VI-C, LP; CMB Infrastructure Investment Group VII, LP; CMB Infrastructure Investment Group VIII, LP; CMB Infrastructure Investment Group IX, LP; CMB Infrastructure Investment Group X, LP; CMB Export Infrastructure Investment Group XI, LP; CMB Export Infrastructure Investment Group XII, LP; CMB Export Infrastructure Investment Group XIII, LP; CMB Export Infrastructure Investment Group XIV, LP; CMB Export Infrastructure Investment Group XV, LP; CMB Export Infrastructure Investment Group XVI, LP; CMB Export Infrastructure Investment Group XVII, LP; CMB Export Infrastructure Investment Group XVIII, LP; CMB Texas Infrastructure Investment Group XIX, LP; CMB Texas Infrastructure Investment Group 20, LP; CMB Texas Infrastructure Investment Group 21, LP; CMB Texas Infrastructure Investment Group 22, LP; CMB Export Infrastructure Investment Group 23, LP; CMB Texas Infrastructure Investment Group 24, LP; CMB Texas Infrastructure Investment Group 25, LP; CMB Florida Infrastructure Investment Group 26, LP; CMB Texas Infrastructure Investment Group 27, LP; CMB Export Infrastructure Investment Group 28, LP; CMB Export Infrastructure Investment Group 29, LP; CMB Tennessee Infrastructure Investment Group 30 LP; CMB Export Infrastructure Investment Group 31, LP; CMB North Dakota Infrastructure Investment Group 32, LP; CMB Pennsylvania Infrastructure Investment Group 33, LP; CMB Export Infrastructure Investment Group 34, LP; CMB Export Infrastructure Investment Group 35, LP; CMB Maryland Infrastructure Investment Group 37, LP; CMB Texas Infrastructure Investment Group 40, LP; CMB Colorado Infrastructure Investment Group 41, LP; CMB Indiana Infrastructure Investment Group 43, LP; CMB Texas Infrastructure Investment Group 45, LP; CMB Nebraska Infrastructure Investment Group 47, LP; and CMB North Carolina Infrastructure Investment Group 50, LP shall each pay a civil money penalty in the amount of \$160,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). Payment shall be made in the following installments: (1) 25% of the total amount within ten (10) days of the entry of this Order, (2) 25% of the total amount within one hundred twenty (120) days of the entry of this Order, and (3) 25% of the total amount within two hundred forty (240) days of the entry of this Order, and 25% of the total amount within three hundred sixty (360) days of the entry of this Order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance plus any additional interest accrued pursuant to 31 U.S.C. §3717, shall be due and payable immediately, without further application.

Payment must be made in one of the following ways:

- (1) Respondents may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

- (2) Respondents may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondents may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying the name of the Respondent as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Melissa R. Hodgman, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549-5553.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondents agree that in any Related Investor Action, they shall not argue that they are entitled to, nor shall they benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondents' payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondents agree that they shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondents by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondents, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondents under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondents of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Brent J. Fields
Secretary