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Odyssey Marine Exploration Co (OMEX):

Do Investors Know What Lies Beneath the Surface?

Executive Summary for OMEX Investigative Report

October 31, 2013

Target Price: \$0.00	Thesis: Strong Sell
Market Cap: \$230mm (80mm x \$2.84/sh)	Shareholder's Equity: (\$5.6mm)
Total Cash: \$10mm¹	Total Debt: \$20mm²
Net Loss 2012 – 2008, respectively: (\$18.2mm); (\$16.2mm); (\$23.3mm); (\$18.6mm); (\$24.8mm)	
1) Unclear how much of this cash resides in the US, OMEX formed offshore subsidiaries in 2013 2) As of June 30, 2013, over \$5.3mm of this debt is convertible with a “death spiral” conversion feature that allows for the payments to be converted to stock at a 15% discount to market	

“Our talented people, global presence, financial strength and massive market knowledge have created our sustainable and unique businesses. [Our new business models] will accelerate their growth. We plan to leverage all of these competitive advantages to create significant value for our shareholders.”

-Enron's 2000 (Final) Letter to shareholders, published 7 months before bankruptcy

OMEX was founded by and is currently run by expert stock promoters who have been sued by the SEC.

- Greg Stemm and John Morris's previous shipwreck hunting company Seahawk (SHWK: \$0.0012) [was sued by the SEC](#). They refused to cooperate with government subpoenas and had a stop order placed on their stock¹.
- Since 2000, OMEX executives and directors have received cash compensation over \$20mm and have net sold \$5mm of stock, shareholders have been diluted 7-X and accumulated losses of \$180mm².
- We believe the purpose of OMEX is to serve as a vehicle for OMEX insiders to live a life of glamor hunting the ocean while [disappointed investors foot the bill](#).

We believe OMEX stock is worth \$Zero and if OMEX is unable to raise equity they will be forced to file bankruptcy within the next 6-12 months.

- In spite of the recent Gairsoppa success, OMEX's business lines of historical shipwrecks and commodity shipwrecks have averaged \$20mm of annual losses over the past 5 years and we believe are unlikely to repay OMEX's growing debt burden.
- [The CEO has publicly stated they do not have enough cash to operate through the end of 2014³](#) and carries their debt at a discount to face value on their SEC financials⁴.

¹ <http://www.sec.gov/litigation/aljdec/1993/id19930526eik.pdf>

² See appendix for cash compensation and insider transaction table. Data taken from OMEX SEC filings

³ <http://ir.odysseymarine.com/releasedetail.cfm?ReleaseID=785335>

⁴ See OMEX 2013 10-K filing with the SEC

- As highlighted by the “Black Swan” debacle, we believe UNESCO’s new regulations to protect national gravesites and heritage make for-profit historic shipwreck hunting unviable.

We believe OMEX’s new business of undersea mineral exploration is a pipedream and worth zero.

- We believe that management representations of “\$179mm of Off Balance Sheet Value” in equity stakes are inflated by at least a factor of 10 and we question whether they are based on non-arm’s length transactions.
- In early 2013, OMEX created a new business “Oceanica” that utilizes opaque offshore subsidiaries in Panama and Bahamas that we question how there could be any valid business purpose and are reminiscent of Enron’s use of off balance sheet entities to obfuscate the true nature of cash transfers and inflate valuations.
- We believe that Neptune Minerals, Inc. – founded by John Morris, co-founder and former CEO of OMEX – is also worthless and is simply a reincarnation of Neptune Minerals, Plc, a failed public company in the UK which John Morris acquired for \$140,000 in 2011.
- According to an attachment to OMEX’s recent 10Q, via Oceanica, OMEX is partners with a Panamanian company, DNA Ltd Inc. Our investigation finds substantial evidence that DNA’s principal members are connected to at least 3 alleged pump and dump frauds and admitted involvement in the alleged \$400mm money laundering scandal, “Teegan Inc.”

What do we want?

We fundamentally want the same thing that anyone long OMEX stock wants: Answers to our questions and more specific information about the company's operations, not vague platitudes or promises.

What is our motivation?

Our actions are all consistent with our words. We are short the stock because we believe if the Company provides true and clear answers to the serious questions we have raised then it will be readily apparent to ALL investors that the company, as it is currently performing, has approximately zero economic value to shareholders. We may be wrong in that belief and the stock may be worth some higher number, in which case, great, that's how markets are supposed to work!

If you own the stock, you deserve answers more than anyone, so demand them from YOUR company. As shareholders, management reports to YOU.

Key Questions for OMEX that Shareholders Deserve Answers to:

- 1) Please explain OMEX co-founder John Morris’s involvement in Chatham Rock Phosphate, Neptune Minerals, and Oceanica?
- 2) How much cash have John Morris and affiliated entities received from OMEX since 2008?
- 3) How much cash has OMEX received from John Morris and affiliated entities since 2008?
- 4) Why did OMEX improve the terms on the Galt Resources deal for ex-CEO and current consultant John Morris after the original contract had been signed? Why is this fair to shareholders?

- 5) Has Josh Adam, SVP of Neptune and Manager of Mako, ever received compensation directly or indirectly from OMEX?
- 6) Is the “Brad Baker” who appears to have signed documents on behalf of Dorado (later, renamed Neptune), an ostensibly arms-length entity, the same Brad Baker that is on OMEX’s board?
- 7) Please explain precisely why your offshore subsidiaries are necessary now (commencing in 2013) when in your previous 16 years of operations, OMEX never required these?
- 8) In what banks and countries is OMEX holding shareholder cash?
- 9) Why did you chose to partner with DNA, Ltd. Inc.? Were you aware of the principal members’ connections to multiple alleged investment scams?
- 10) Is OMEX using its offshore subsidiaries, formed in 2013, to make unlawful payments to government officials?

This report is long, detailed and contains complex content. We address **undersea mining and offshore subsidiaries** in Chapter 3 and recommended investors familiar with OMEX begin there, specifically in sections 3 and 4, where we show that we believe the value of Neptune and Oceanica are likely zero. We explore in depth what we believe to be Oceanica’s cofounding shareholder, DNA Ltd, Inc, a Panamanian entity whose principal members are connected to a number of alleged financial crimes.

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Chapter 1 – OMEX management has a history of consistently disappointing investors while being generously compensated

Section 1 - OMEX appears to be a vehicle for insiders to get rich and enjoy a life of glamor while investors pay the bill

Introduction

Touring the open oceans and hunting for shipwrecks can be an alluring, exciting, and glamorous pastime for the eccentric wealthy elite. Historic shipwrecks have been the raw material for some of the greatest stories ever told. When we discovered a public company named Odyssey Marine Exploration that was supposedly in the business of hunting for sunken ships and excavating the contents, it struck a tone of curiosity and yet incredulity with us. Frankly, business is hard and doesn’t have a lot of glamour. We believe people can spend their own money however they like but when management spends shareholder dollars in a way that puts their own pleasure or hobbies above their fiduciary duty, we take affront.

Our team of researchers and lawyers are conducting a substantial investigation of publicly available information. We have scoured court documents, SEC filings, international lawsuits, and have interviewed people around the world. We dug as deep as Panamanian and Mexican business registries and are disturbed by what we have uncovered. Though our investigation continues, we are sharing this report with the public and the relevant American and International authorities. We are hopeful regulatory action will be taken in short order and will do our best to assist. Although we are self-admitted capitalists, something strikes us as socially lacking with the concept of digging up tragic historical national graveyards to sell the heirlooms to the highest bidder.

Meson Capital Partners LLC is better known for our efforts as constructive activists to help turn around and optimize faltering companies. Indeed, OMEX insiders fit our profile of receiving generous compensation while producing consistent losses for the shareholders they have a duty to represent. A fundamental problem of capitalism is when corporate insiders behave in a way that puts their own interests above those of their shareholders, to which they owe a fiduciary obligation.

We believe that OMEX fits this “insiders first, shareholders last” pattern; however, the historically impressive ability of management to consistently promote and sell stock at prices well above our estimation of fair value has enabled OMEX to attract a growing investor base and the stock now carries a market capitalization in excess of \$220 million. After a thorough investigation, we believe that the damage has already been done for those who have purchased the stock. It is time for investors to face the

facts that we present in this report and conclude for themselves if they can reallocate their capital more productively and responsibly.

There have been 7 public companies with almost identical business models as OMEX, the stocks of which all are now worthless or nearly worthless. We believe that OMEX's functional business model is to create fantastic stories to part a steady stream of beguiled investors from their money to finance insider's glamorous adventures. Shareholders have footed the bill, accumulating losses of \$185mm as OMEX insiders Greg Stemm, John Morris and other insiders have enjoyed their charmed life of treasure hunting. Insiders have collectively received over \$20mm of cash compensation since 2000 while personally net selling \$5mm of stock to less informed public investors.

After the "Black Swan" debacle, we believe OMEX essentially gave up their initial treasure hunting mission and now claim to have become experts in the unproven field of deep sea underwater mining. The CEO stated they have enough cash to operate through "most of 2014."⁵ To paraphrase another great story, the clock is about to strike midnight.

We believe any new investors should be extremely cautious of OMEX's promises given their disappointing track record. Further, we believe that the highest and best use of OMEX's assets would be to liquidate to competent dredging operators, however after severance costs, we believe it is unlikely shareholders will receive any value after the debt is repaid first. We believe the downside case for shareholders, if OMEX continues on its current trajectory, is bankruptcy and liquidation within 6-9 months resulting in \$0.00 per share, and we also expect impairment for Fifth Third Bank's secured loan. Though we would prefer to bring more positive news, we believe investors need to rip off the Band-Aid and acknowledge that they are holding losing lottery tickets. The sooner investors refocus on companies with profitable, viable businesses, the better off both investors and the capital markets at large will be.

Section 2 - Management are expert stock promoters with experience: prelude to OMEX

We believe OMEX has a history of selling shareholders overly optimistic stories⁶ since 1997 while consistently selling stock⁷ to fund OMEX's huge cash burn⁸, while management gets rich in the process⁹. Despite consistently falling short¹⁰, OMEX insiders have repeatedly sold large amounts of stock into the open market to public investors¹¹ while disappointing on literally 100% of their projects¹². Furthermore, we believe racking up \$185m of cumulative losses¹³ while management has pocketed tens of millions of dollars in compensation¹⁴ is an outrage and shareholders deserve better.

Prelude to OMEX: Seahawk Deep Ocean Technology, SEC Investigations and Financial Disaster

OMEX's co-founders, Greg Stemm (current CEO) and John Morris (former CEO and current "consultant") are not new to deep sea exploration and financial disaster as they founded Seahawk Deep Ocean Technology ("SHWK")¹⁵. Seahawk became a public company through reverse merger with shell

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⁵ <http://ir.odysseymarine.com/releasedetail.cfm?ReleaseID=785335>

⁶ See OMEX project chart on page 13

⁷ See share count chart on page 24

⁸ See operating loss financial statement on page 23

⁹ See management compensation chart on page 15

¹⁰ See OMEX project chart on page 13

¹¹ See "Insider transaction history" chart on page 14

¹² Relative to project value numbers published in the media

¹³ As of most recent 10q filings

¹⁴ See management compensation chart on page 15 which shows \$18m of compensation since just 2006

¹⁵ New Yorker article, "Secrets of the Deep" referenced below

company “Fox Ridge Capital” purchased from Timothy Brasel of Colorado¹⁶. Mr. Brasel appears to have been cited in an unrelated SEC civil action¹⁷:

“On Aug. 2, 1999 the Commission filed a federal lawsuit alleging that five individuals manipulated the price of a microcap stock through matched trades that gave the false appearance of demand during an unregistered public distribution of the stock. The defendants include three residents of the Denver area, Richard H. Steinberg, Timothy J. Brasel, and Joseph J. Peirce, a Florida resident, Roger M. Taft, and Taft's son Stuart J. Taft, a resident of Connecticut.”

Seahawk and “Fox Ridge Capital” were promoted by Kober Financial Corp., an alleged “blind pool vehicle” firm¹⁸.

Following is a description of how Seahawk became public as reported in the New Yorker article “Secrets of the Deep”¹⁹:

“Up to this point, Stemm and Morris had funded the hunt with small investments from friends and relatives, who were promised a percentage of any profits. They now decided that the best way to raise a large amount of money quickly was to take Seahawk public. Morris met with brokers at Kober Financial Corporation, in Tampa, a firm that had access to a “blind pool” company. (Contributors to a blind pool allow brokers to decide how to invest their money.)”

“Kober agreed to negotiate a merger between Seahawk and the blind-pool company, which had half a million dollars in its pool. After the merger, Seahawk became the country's first publicly financed treasure-hunting company, and its stock began trading for half a penny a share. Stemm and Morris acquired sixty million shares each.”

Once Seahawk was a publicly traded company (August 1, 1992), stories were published indicating Seahawk's shipwreck had potentially hundreds of millions of dollars of treasure, according to the New Yorker article. Seahawk's shares responded and the stock rose from \$.005 to ~\$.85²⁰. Greg Stemm, John Morris and others began selling stock, netting huge gains, “in some cases over 3,000%”²¹. When it was discovered there was no meaningful amount of treasure, shares plunged with public shareholders taking substantial losses²². SHWK now trades for \$0.0012 per share and does not appear to have filed current SEC filings in years²³.

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¹⁶ <http://ftp.sec.gov/pub/containers/fix052/1023129/0000948830-96-000209.txt>

¹⁷ <http://www.sec.gov/litigation/litreleases/lr16231.htm>

¹⁸ <http://news.google.com/newspapers?id=888&dat=19911223&id=KodQAAAAIBAJ&sjid=qVwDAAAAIBAJ&pg=3515,3129438>

¹⁹ http://www.newyorker.com/reporting/2008/04/07/080407fa_fact_colapinto?currentPage=all

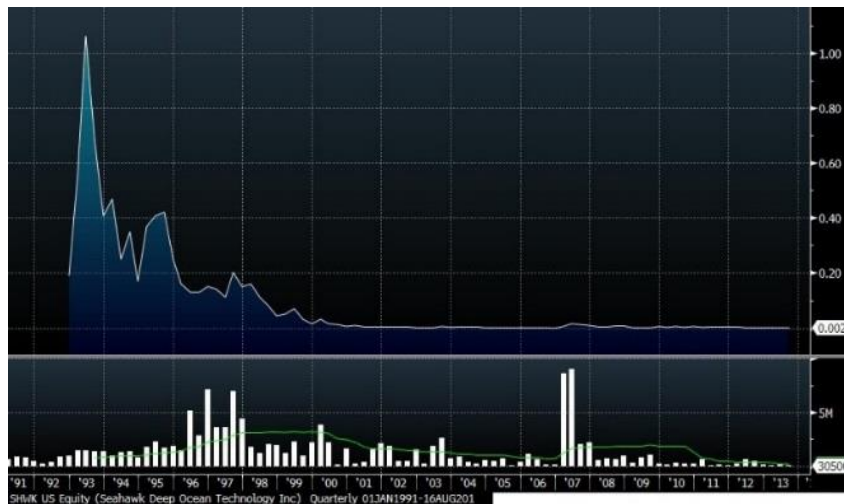
²⁰ Based on the New Yorker article; it also appears based on this chart from Capital IQ that the stock briefly exceeded \$1.00

²¹ New Yorker article

²² New Yorker article

²³ Based on market price as of 10/29/13 and the SEC website

Seahawk Stock Price Chart



The SEC subsequently investigated Stemm, Morris and Seahawk²⁴.

“The S.E.C. offered Seahawk a deal: it would drop the charges against the company if Stemm, Morris, and Bagley resigned, and Seahawk agreed never again to employ them”

We strongly recommend you read the following link that details the SEC’s allegations against Stemm, Morris and Seahawk: <http://www.sec.gov/litigation/aljdec/1993/id19930526ejk.pdf>

After Seahawk, Stemm and Morris started another deep sea exploration venture: Odyssey Marine Exploration (OMEX) that also became public through reverse merger with Remark/Universal Capital Corporation (“RUCC”), another Timothy J. Brasel shell company with the business address “16178 East Prentice Place, Aurora, CO, 80015”, apparently a residential address²⁵.

OMEX began its new life as a company with the same business model and many of the same people involved as Seahawk.

Section 3 – OMEX: Repeating the promotion playbook from Seahawk (SHWK: \$0.0012)?

We think there are similarities between Seahawk and OMEX and present the following for your interpretation:

“I said, ‘Man, I can do this.’ I understand promotion. I understand how to put things in writing that people react to.”

– Greg Stemm, Founder and CEO of OMEX from New Yorker Article

1. First: Insiders Get Stock

²⁴ New Yorker article

²⁵ <http://www.sec.gov/Archives/edgar/data/798528/0000948830-97-000216-index.html>

We examined past proxy filings and estimate named executives have received ~5.4 million options and 1.6 million stock units since 2000, as far back as we could find data²⁶. On a fully diluted basis, this is a whopping 7 million shares or ~9% of total shares outstanding²⁷. We see no justification for such awards given OMEX's poor operating performance and high cash compensation. Note that additional options granted to board of directors are not included in this discussion, so the actual figure is likely higher.

Using historical insider sales data, including options monetization data, we estimate insiders have sold stock totaling ~\$5 million net proceeds for insiders²⁸. OMEX's public shareholders appear to have financed a substantial transfer of wealth to management while OMEX has lost roughly \$185 million²⁹.

2. OMEX Projects Consistently Disappoint

Below is a chart detailing every project we could find that OMEX has ever discussed as an active project in their SEC filings. We estimate of the 17 projects OMEX pursued, they have excavated and generated material revenue on only 2 of them, indicating OMEX fails to generate revenue on 88.2% of their projects according to our estimates³⁰. If we compare total revenues guided by OMEX management or projected in news sources, what we view as investor expectations, versus what is eventually collected, we estimate only 2.025% of projected value was ever realized³¹.

Of the two successfully excavated projects, projected value was still 672.03%³² more than the value actually realized³³. History doesn't repeat but rhyme and based on over a decade of examples, we believe any project value number you hear in regards to OMEX should be discounted by ~97.97%³⁴.

Furthermore, in 16 years we were unable to find even one example where OMEX over delivered versus public expectations³⁵. We find the consistency of failure here telling about both management and the quality of OMEX's business model.

OMEX Past Project Reality Is Much Lower Than Public Expectations	
1. Total Projected Value for All OMEX Projects	\$3,071,400,000
2. Estimated Total Profit to OMEX from All Projects	\$62,200,000
(2. Total OMEX Project Profit)/(1. Total Projected Value)	2.025%
3. SS Republic and Gairssoppa Projected Value	\$418,000,000
4. Total SS Republic and Gairssoppa Estimated Profit	\$62,200,000
(3. SS Republic & Gairssoppa Projected Value)/(4. Total SS Republic & Gairssoppa Estimated Profit)	672.03%

We estimate literally 100% of OMEX's 17 projects over 16 years were disappointments relative to initial public expectations³⁶. We find this consistency incredible. We believe OMEX's executive's core competency resides solely in selling stock to investors based on

²⁶ OMEX annual proxy statements for the years 2000-2013

²⁷ Based on the current fully diluted share count of ~80mm shares

²⁸ This figure is based on InsiderScore data from December 2003 (as far as the dataset goes) until today, where we define net as stock purchases plus option exercises minus sales.

²⁹ Based on OMEX's accumulated deficit as of the most recent 10Q filing

³⁰ We estimate 2 material excavations in 17 projects is $(1 - (2/17)) = 88.2\%$ rate of unsuccessful projects to listed projects

³¹ See "OMEX Past Project Reality" chart above

³² See "OMEX Past Project Reality" chart above

³³ See "OMEX Past Project Reality" chart above

³⁴ See "OMEX Past Project Reality" chart above $(100\% - 2.025\% = 97.97\%)$

³⁵ See "OMEX Past Projects" chart below

³⁶ See "OMEX Past Projects" chart below

wild promises that go unfulfilled.

OMEX Past Projects							
Project	Year first mentioned	Highest value we estimated or believe was projected or implied in quotes from OMEX management or public media estimates	Our Estimate of What We Believe Is The Highest Value Projected or Implied	Year excavation began	Total Profit From Value Retrieved	Current Status	Source
"Western Mediterranean Project"	1997	N/A	-	2005	23 shipwrecks found but no revenue since.	Dropped the project	http://shipwreck.net/pr103.php
"Bethlehem" Project	1997	50% gross value of 350,000 silver coins valued at \$3.5m to "over 15m"	\$15,000,000	abandoned	Zero	Dropped in 1999	http://apps.shareholder.com/sec/viewerContent.aspx?companyid=OMEX&docid=1004609
"Concepcion" Project	1997	"a gold bullion value of approximately \$35m to a potential numismatic and collectors value of well over \$100m."	\$100,000,000	Never started	Zero	Dropped the project	http://www.sec.gov/Archives/edgar/data/798528/000094883000000274/0000948830-00-000274-0001.txt
HMS Sussex ("Cambridge" Project)	1997	"hundreds of millions of dollars" "up to \$1bn" "worth as much as \$4b at auction"	\$1,000,000,000	Project blocked	Zero	OMEX Blocked from Proceeding	http://shipwreck.net/AbridgedSussexProjectPlan.pdf , http://english.people.com.cn/200703/27/enq20070327_361317.html , http://www.shipwreck.net/hmssussexoperationaloverview.php , http://www.wired.com/wired/archive/11.09/shipwreck_pr.html
"Republic Project" AKA Seattle	1997	-		Never	\$800k from RPCs	RPCs outstanding but hasn't been found yet	http://www.sec.gov/Archives/edgar/data/798528/000119312505127307/d10ksba.htm
"Bavaria" Project	2002	"Large shipment of gold coins"		Never	Zero	Dropped the project	http://www.sec.gov/Archives/edgar/data/798528/000094883002000427/odyssey.txt
SS Republic	2003	"\$400k in specia. 1865 face value" "the cargo's possible value at U.S. \$120 to 180 million"	\$180,000,000	2003	We estimate \$43.6m of <u>revenue</u> generated but not enough disclosure available to estimate profit earned from this project. As a result, we will be generous and use revenue in place of profit.	Excavation completed	http://news.nationalgeographic.com/news/2003/12/1201031201_republic.html , http://shipwreck.net/pr68.php , http://www.shipwreck.net/pdf/OMEPaper7_000.pdf , http://files.shareholder.com/downloads/OMEX/2723532016x0xS1193125-05-153699/798528/filing.pdf , http://shipwreck.net/pr103.php , http://en.wikipedia.org/wiki/SS_Republic_(1853)
HMS Victory	2005	"contain more than a billion dollars of gold"	\$1,000,000,000	Delayed for years so far.	\$85K (\$75k donated to museum)	Project delayed for years. Still currently delayed.	http://www.telegraph.co.uk/news/uknews/4445783/HMS-Victory-and-cargo-of-gold-found-in-English-channel.html
"Ancona" Project	2007	"(£15m) worth of sunken treasure"	\$18,000,000	Never started	Zero	In talks with Italy as of 2010	http://www.theguardian.com/world/2010/jan/12/bounty-hunters-italy-ancona-courts
"Black Swan"	2007	"valued at as much as \$500m"	\$500,000,000	2007	OMEX ordered to return artifacts	Court ruled against ownership	http://news.discovery.com/history/archaeology/black-swan-treasure-122402.htm
"Symphony" Project	2009	4 Shipwrecks and significant Gold coins		Never, waiting for government approval	Never	Stopped talking in 2011	http://shipwreck.net/pr188.php
"Enigma" (RFP)	2009	-		Never	Fixed pay from RFP	Completed and ship not found	http://shipwreck.net/pr192.php
"Enigma II" (RFP)	2010	-		Never	Zero	Nothing found	http://shipwreck.net/pr208.php
"Firebrand" (RFP)	2010	-		Never	Fixed pay from RFP	Completed and ship not found	http://shipwreck.net/199.php
"Shantaram" (RFP)	2010			Never	Fixed pay from RFP	Completed and nothing found	http://shipwreck.net/pr203.php , http://www.sec.gov/Archives/edgar/data/798528/000119312512109723/d258164d10k.htm , http://ir.odysseymarine.com/releasedetail.cfm?ReleaseID=785335 , http://www.shipwreck.net/ssgairsoppa.php , http://www.shipwreck.net/ssgairsoppa.php , http://shipwreck.net/pr236.php , http://shipwreck.net/pr233.php , http://shipwreck.net/pr229.php , http://ir.odysseymarine.com/releasedetail.cfm?ReleaseID=751513
SS Gairsoppa	2010	"the ship was carrying £600,000 (1941 value) or 7 Million total ounces of silver, including over 3 Million ounces of private silver bullion insured " (7m oz " ~\$34/oz silver price on 10/2011 = \$238m)	\$238,000,000	2011	3.2m troz oy. total with salvage value with our estimate of 2012 and 2013 combined project profit = \$18.06m	Just completed	
		"near term recovery of what is expected to be up to 7.6 million ounces of silver on board the Gairsoppa and Mantola," said Greg Stemm					http://shipwreck.net/pr241.php
"Mantola"	2011	"equate to more than 600,000 ounces of silver " "ship could hold as much as 600,000 ounces of silver, based on silver prices in 1917. At current market prices, that much silver would be worth more than \$19 million"	\$20,400,000	Unsuccessful attempt	Zero	Nothing Recovered	http://ir.odysseymarine.com/releasedetail.cfm?ReleaseID=768577 , http://shipwreck.net/pr235.php , http://ir.odysseymarine.com/secfiling.cfm?filingID=1193125-12-109723 , http://www.dailymail.co.uk/news/article-2047521/British-SS-Mantola-shipwreck-19m-silver-treasure-North-Atlantic.html
1. Total Projected Value for All OMEX Value			\$3,071,400,000				
2. Estimated Profit to OMEX From All Projects				\$62,200,000			

Note: The third column of this table contains the highest estimate or projection of each project we were able to find at any point during each project's life cycle and source URLs are cited in the table.

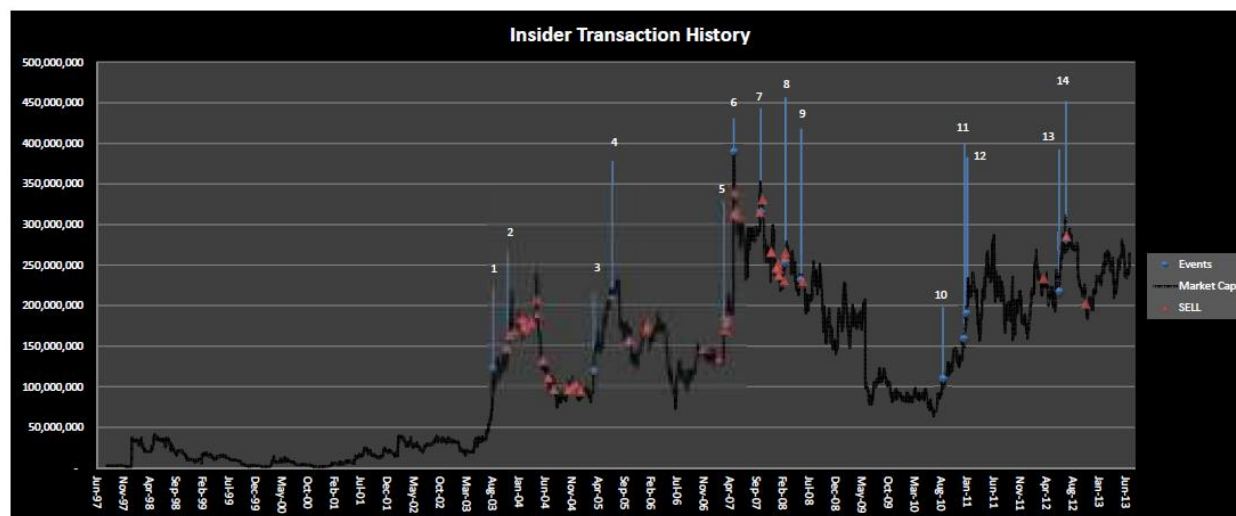
Another interesting factor is the public support of OMEX by anonymous "analysts," listed below. When looking for experts in this "business," we found an interesting pattern on SeekingAlpha in public OMEX articles and authors.

SeekingAlpha Author	Number of Articles	Articles on OMEX	% of Articles on OMEX	Date of Author's First Article	Date of First OMEX Article
Cliff Fiscal	2	2	100.00%	3/1/2013	3/1/2013
Miles Williams	1	1	100.00%	10/12/2012	10/12/2012
Bill Houseman	2	2	100.00%	8/24/2012	8/24/2012
GreatStockPix	1	1	100.00%	3/7/2012	3/7/2012
South of Wall Street	2	1	50.00%	12/13/2011	2/6/2012
LightSpeed VS	6	3	50.00%	8/8/2011	8/8/2011
Daniel Wilson	5	2	40.00%	8/3/2011	8/3/2011

We find it interesting there are an increasing number of OMEX posts by anonymous SeekingAlpha authors who have either posted mostly, or only, wildly optimistic articles about OMEX. Also noteworthy is that positive OMEX article comments tend to be posted by authors whose only commentary on SeekingAlpha are concerning OMEX. We determined that many such posters signed up on SeekingAlpha the same day and never posted again.

3. Insiders Sell Stock and Receive Millions in Proceeds

The chart reflects OMEX's market cap with positive news stories overlaid with management stock sales³⁷. We think the pattern here is striking but we will let you draw your own conclusions.



³⁷ Based on InsiderScore data of stock sales.

Also note that a large number of OMEX management's stock sales occurred at a market cap below the current level (suggesting to us that management was comfortable selling their shares at values far lower than today's).

Section 4 – OMEX management is overcompensated

Lack of profitability or undersea recoveries does not seem to adversely impact management's compensation as management is paid handsomely for meeting very low operating performance hurdles³⁸. See the compensation chart below for 2012 for just the top 5 listed employees. In 2012 OMEX lost over \$18 million.

SUMMARY COMPENSATION TABLE							
Name and Principal Position	Year	Salary	Stock Awards	Option Awards	Non-equity incentive Plan	All other	Total
Gregory P. Stemm, Chief Executive Officer	2012	\$ 405,333	\$ 289,192	\$ 329,102	\$ 205,870	\$ 1,290	\$ 1,230,787
Mark D. Gordon, President and Chief Operating Officer	2012	272,917	124,543	141,732	114,835	615	654,642
Michael J. Holmes, Chief Financial Officer	2012	249,000	118,567	134,929	104,125	1,576	608,197
Melinda MacConnel, EVP, General Counsel & Secretary	2012	153,833	52,681	59,953	55,335	187	321,989
Laura L. Barton, EVP of Communications	2012	149,250	52,681	59,953	53,350	274	315,708
		\$ 1,230,333	\$ 637,664	\$ 725,669	\$ 533,515	\$ 3,942	\$ 3,131,323

It's not just the staggering amount of management compensation that caught our attention but that compensation has also escalated over time as operating losses have continued to mount:

	2006	2007	2008	2009	2010	2011	2012	Total
Gregory P. Stemm	347,000	973,755	767,127	1,127,842	748,585	1,014,408	1,230,787	\$ 6,209,504
John C. Morris	333,104	776,005	1,411,416	325,000	325,000	325,000	325,000	\$ 3,820,525
David A. Morris	175,066	396,780	285,100	404,535	285,544	363,433	416,500	\$ 2,326,958
Michael J. Holmes	224,334	436,863	383,296	674,383	385,006	492,733	608,197	\$ 3,204,812
Mark D. Gordon		563,982	383,296	590,133	391,285	510,229	654,642	\$ 3,093,567
Per Year Total	1,079,504	3,147,385	3,230,235	3,121,893	2,135,420	2,705,803	3,235,126	
Cumulative Total	\$ 1,079,504	\$ 4,226,889	\$ 7,457,124	\$ 10,579,017	\$ 12,714,437	\$ 15,420,240	\$ 18,655,366	

↑
OMEX Management "Big Find"

Since 2007 executive compensation has dramatically increased and stayed high. For example, Stemm's compensation nearly tripled while David Morris's, **John Morris' brother**, more than doubled. We don't understand why David Morris, for his role as "Assistant Secretary," merits \$416,000 in compensation in 2012 alone.

Section 5 – OMEX continues to enrich co-founder John Morris

Another data point supporting our view that OMEX is unviable and a vehicle that enriches insiders, is that in the rare case that OMEX successfully recovers a find and is able to keep the proceeds, history indicates

³⁸ We discuss these low targets as disclosed in the company's proxy statement later in this report

shareholders still get the short end of the stick as OMEX give much of the upside away to John Morris³⁹ or struggle to sell whatever they find⁴⁰.

OMEX's Many Related Party Transactions: Who is John Morris?

Greg Stemm became CEO after John Morris, the co-founder of OMEX, stepped down. At the time, OMEX told shareholders John Morris was leaving to deal with “serious health issues”⁴¹. What we know is that since stepping down as CEO of OMEX, John Morris has remained highly active and has an impressive workload, much of it with companies connected to OMEX.

John Morris is:

1. Full time consultant for OMEX paid \$325,000+⁴² per year
2. CEO and founder of Neptune Minerals⁴³
3. Involved in JCM Marine Venture, Galt Resources, Subsea Management LLC, Gulf Bargeco LLC, Subsea Investments I LLC, Subsea Investments II LLC, Subsea Investments III LLC, Seagrass Recovery Inc. and others⁴⁴
4. Involved and working with Josh Adam on many projects⁴⁵. We discuss Mr. Adam below

Mr. Morris's current engagement as a special “consultant” to Odyssey Marine is a position that we estimate has allowed him to reap over \$1.6 million (so far)⁴⁶.

John Morris (right) and Greg Stemm



For starters, there's this quote from the 2008 proxy statement disclosing that Mr. Morris received his full 2007 bonus, a \$325,000 “separation payment” or his cut of any debt or equity financing⁴⁷:

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³⁹ See discussion of Galt Resources below

⁴⁰ We estimate that only 48% of the OMEX's recovery from the SS Republic find in 2003 has been monetized to date

⁴¹ <http://shipwreck.net/pr151.php>

⁴² <http://www.sec.gov/Archives/edgar/data/798528/000119312508055524/dex1017.htm>

⁴³ <http://www.neptuneminerals.com/about-us/leadership/>

⁴⁴ <http://www.corporationwiki.com/Florida/Indian-Rocks-Beach/john-c-morris/36056034.aspx>

⁴⁵ <http://www.corporationwiki.com/Florida/Saint-Petersburg/joshua-c-adam/67737469.aspx>

⁴⁶ Became \$325k per year consultant ~5 years ago for total compensation of (\$325k*5years=\$1.625m)

⁴⁷ <http://www.sec.gov/Archives/edgar/data/798528/000119312508055524/dex1017.htm>

“Mr. Morris shall be entitled to compensation in an amount equal to the greater of \$325,000 **or 4.0% of the aggregate value of any debt or equity financing...payable within 10 days...** Additionally, the Company has agreed to provide Mr. Morris with health benefits.”

Note that his compensation is payable **within 10 days**. Is there some risk on any particular day that OMEX might not survive for another 10 days? We find it telling that John Morris is compensated **on a percentage of the capital the company raises, with no reference to profit or revenue**.

SS Gairsoppa = John Morris’ “Galt Resources” Gets Paid far more than he did as CEO

The SS Gairsoppa is one of only two major excavations OMEX has had in their 16 years of operating history⁴⁸. We believe OMEX shareholders may not understand how much of the value of this find was captured by John Morris and Galt.

2012 Gairsoppa Estimated Proceeds

Estimated 2012 Gairsoppa Economics		
Total Gross Silver Proceeds	\$41,000,000	
"Several hundred artifacts" Revenue	\$0	unclear to us how much these may be worth
Smelting and Marketing Costs@3%	(\$1,230,000)	
Salvage Operations Costs	(\$17,800,000)	from 2012 10k filed 3/12/13
Gross Profit	\$21,970,000	
20% Proceeds to UK Government	(\$4,394,000)	
Galt Resources LLC Recovery Payment	(\$15,000,000)	<- John Morris related Company
Net Proceeds to OMEX	\$2,576,000	

2013 Gairsoppa Estimated Proceeds

Estimated 2013 Gairsoppa Economics		
Total Gross Silver Proceeds	\$39,000,000	
Artifact Revenue	\$0	unclear to us how much these may be worth
Smelting and Marketing Costs@3%	(\$1,170,000)	<- estimate
Salvage Operations Costs	(\$17,800,000)	<- estimate
Gross Profit	\$20,030,000	
20% Proceeds to UK Government	(\$4,006,000)	
Galt Resources LLC Recovery Payment	\$0	
Net Proceeds to OMEX	\$16,024,000	

We believe the 2012 Gairsoppa excavation was barely profitable and our estimate of 2013 proceeds will not fund OMEX for even one year⁴⁹. Note that OMEX gave away a substantial amount of the upside of the value to the John Morris company “Galt Resources.” We suspect this is a dynamic missed by most shareholders, quoting from the most recent 10-K filing:

“In February 2011, Odyssey entered into a project syndication deal with Galt Resources LLC (Galt). Odyssey received \$7.5 million in cash from Galt to fund working capital of ongoing exploratory search operations for target projects. In return Galt received the rights to future revenues of selected project(s) **equaling their initial investment plus three times the investment**, which will be paid out of proceeds of the project(s). In addition, Galt will share in the future net proceeds of the selected project at the rate of 1% for every million invested. In January 2012, Odyssey and Galt agreed to bifurcate Galt’s selection between two projects, the SS *Gairsoppa* and HMS *Victory*. **Galt has received two times its**

⁴⁸ See projects table on page 14

⁴⁹ Based on OMEX average annual loss per year over past five years of ~\$20m

initial investment of \$7,512,500 from Odyssey's proceeds from the SS Gairsoppa and will receive no further disbursements from the project. Galt received \$2.5 million in November 2012 and the remaining \$12.5 million in February 2013. Galt will also receive 50% of Odyssey's net proceeds, if any, on the HMS Victory project until Galt receives two times its initial investment and thereafter will receive 7.5125% of Odyssey's net proceeds from the HMS Victory project." (Emphasis ours)

More difficult for us to understand is why the terms of this agreement appear to have been changed to benefit John Morris and Galt Resources, at the expense of OMEX shareholders. We could not find any shareholder friendly reason for this amendment⁵⁰.

Even in the rare case where OMEX had a substantial find, John Morris was allowed to pick and choose the best one to participate in using information that public shareholders did not have. "Galt will have the right to participate in the net proceeds, if any, from one of Odyssey's projects to be chosen by Galt before the end of 2011". Why can't shareholders choose to participate in OMEX's rare successful target and not be burdened by any of the other losses?

Section 6 – Even with the rare successful extraction, shipwreck assets are less valuable and take MANY years to monetize

OMEX found the SS Republic in 2003 and apparently excavated 51,600⁵¹ coins. As of OMEX's most recent 10q filing they still held 25,000 coins⁵². So based on our estimates, despite finding this ship approximately 10 years ago they have only monetized 51.5%⁵³ of the find. We believe it is amazing that in the rare chance OMEX actually finds, excavates and keeps something potentially valuable, they struggle to sell it over approximately 10 years.

Section 7 – Did OMEX Chairmen Brad Baker sign for Dorado in an undisclosed related party transaction?

Aside from John Morris, we find further evidence of what seems to be additional related party transactions with OMEX.

Bradford Baker, OMEX Chairman of the Board: is he also an undisclosed board member of Dorado, a company in which OMEX invested?

We have serious questions about Bradford B. Baker's apparent involvement with Dorado (as discussed below, Dorado later merged into Neptune Minerals, a John Morris company that OMEX invested in). Public filings by OMEX disclose that Mr. Baker is also the official responsible for signing SEC filings for Dorado⁵⁴. Brad Baker's linkedin profile also seem to

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⁵⁰ <http://www.sec.gov/Archives/edgar/data/798528/000119312511039074/d8k.htm>

⁵¹ <http://www.shipwreck.net/ssrepublic.php>

⁵² <http://www.sec.gov/Archives/edgar/data/798528/000119312513326785/d542658d10q.htm>

⁵³ ((51,600 coins excavated - 25,000 coins still held) =

⁵⁴ <http://www.sec.gov/Archives/edgar/data/798528/000119312511160323/dex102.htm>

See bottom right "assignee" with a "Brad Baker" apparently listed

indicate he was a board member at Dorado July, 2010 – May, 2011. Is Mr. Baker on both sides of the transaction in what would be an apparently undisclosed related party relationship and conflict of interest? In this document⁵⁵ we see what appears to be the same Brad Baker signing on behalf of Dorado – either that or this is an amazing coincidence⁵⁶.

Picture of Brad Baker⁵⁷



Brad Baker formerly served as director and Chairman of the Audit Committee of “DOBI Medical International” from 2003-2007⁵⁸. While Mr. Baker was involved with DOBI, the SEC investigated the company resulting in the settlement of a securities fraud lawsuit. Among the allegations was that management manipulated its stock price. DOBI medical seems to have ultimately gone bankrupt and been delisted:

“DOBI engaged in a course of conduct to raise money by means of fraud that involved issuing stock in a public offering. To promote the sale of these securities, DOBI and the other defendants manipulated DOBI's stock price; misrepresented the true characteristics, the development status, and the purported marketing of the ComfortScan machine; and misrepresented DOBI's true financial condition.”⁵⁹

It's worth repeating that SEC allegations of stock and financial manipulation have repeatedly surfaced over time for numerous members of the current and past board and management of OMEX.

Mr. Baker is also a long-time associate of Morris and Stemm, and seems to have been an original shareholder of Seahawk⁶⁰.

Section 8 – Despite bullish press releases, when reporting to the SEC, OMEX management seems to admit they are insolvent and unlikely to ever be profitable

A daughter asks her father for advice about a boy who is interested in her. The father replies that she should only pay attention to what the boy does and never anything that he says. The SEC is like the girl's father and the public is like the boy's friends. That boy is going to be pretty careful to not exaggerate the truth in front of her stern father.

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⁵⁵ <http://www.sec.gov/Archives/edgar/data/798528/000119312511160323/dex102.htm>

⁵⁶ <http://www.sec.gov/Archives/edgar/data/798528/000119312511160323/dex102.htm>

⁵⁷ <http://www.linkedin.com/pub/brad-baker/0/284/795>

⁵⁸ <http://www.shipwreck.net/management.php#bradbaker>

⁵⁹ <http://www.law360.com/articles/27462/embattled-medical-device-maker-files-ch-11>

⁶⁰ <http://www.sec.gov/Archives/edgar/data/798528/0000948830-97-000212.txt>

One thing that we and other investors look for carefully is a divergence in statements to different groups of stakeholders. SEC forms all have a section where the signatories must claim, under penalty of federal offense, that everything in the document is truthful. TV interviews or investor conferences, for example, do not have the same strict guidelines. Seahawk, OMEX's predecessor, was charged by the SEC for making false and misleading statements in their SEC filings; people learn from their mistakes. We note there are also no references to "\$179 million of 'off balance sheet' value" in any of OMEX's SEC filings.

If investors look closely at their SEC filings, there is evidence that OMEX themselves seems to know they are going to continue to lose money.

One data point supporting the assertion that OMEX will never achieve sustained profitability is how the company accounts for their own "Net Operating Loss Carry forwards ("NOLs"). NOLs are past losses that can be offset against future profits for tax purposes. If the company is likely to use these losses against future profits, the NOLs can be reported on the balance sheet at fair value as an asset. If it is unlikely the company will be profitable then those NOLs cannot be carried on the balance sheet since they are unlikely to have value.

The following is from OMEX's most recent Form 10K filing:

*"[W]e have recorded a net deferred tax asset of \$0 at December 31, 2012. As required by the Accounting for Income Taxes topic in the ASC, we have evaluated whether it is more likely than not that the deferred tax assets will be realized. **Based on the available evidence, we have concluded that it is more likely than not that those assets would not be realizable....**"*

Said differently, this implies that OMEX will not have enough profitability to realize their NOLs, and hence the net deferred tax asset is worth \$0.

OMEX carries their debt at less than the principal amount owed:

According to OMEX's 10Q filed for June 30, 2013⁶¹, the principal balance of the [8% Convertible Senior Note Payable] at June 30, 2013 was \$5,387,032. However, OMEX carries it on their balance sheet as a liability – identified in Note H – at \$4,496,280, a 16.5% discount to the principal balance?

How can a company carry a liability at less than the amount owed? One case where we have seen liabilities marked at less than par was during the financial crisis, as institutions were about to go bankrupt, they marked their liabilities "to market" as in theory, if they had the cash they could repurchase those debt obligations at a lower price than they owed on them. Of course, this is a somewhat absurd rule that Charlie Munger has pointed out as if they actually had the cash to repurchase the debt then they wouldn't be near insolvency and trading at a large discount! If the enterprise cannot repay its debt obligations, what is the equity part of the capital structure worth?

Even more troubling is a provision in OMEX's 8% Convertible Senior Note Payable that is sometimes referred to as a "death spiral" conversion feature. This allows the debt to be repaid in stock at a 15% discount to the market price which means that the lower the stock goes, the more dilution there is and there does not appear to be a floor:

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⁶¹ <http://www.sec.gov/Archives/edgar/data/798528/000119312513326785/d542658d10q.htm>

The conversion rate applicable to any amortization payment that we make in shares of our common stock will be the lower of (a) the Conversion Price and (b) a price equal to 85.0% of the volume-weighted average price of our shares of common stock for a ten-day period immediately prior to the applicable amortization date.

Section 9 – Get ready to lower your expectations: OMEX insiders receive bonuses if they burn less than \$26.7mm per year

When benchmarking themselves to peers, OMEX compares themselves to companies that are unprofitable. In the 2012 and 2011 executive compensation benchmark from the proxy, OMEX conveniently chose a “peer group” with the following characteristics:

*“Bloomberg database of AMEX and NASDAQ companies with \$125 - \$175 million in market capitalization and under \$10 million in revenue.” (with) **“high market capitalization (peer group average \$118 million), low revenue (peer group average \$38 million) and negative earnings per share”***

Predictably, many of the companies in OMEX’s self-chosen “peer group” are now worthless in just the short amount of time that has passed since the most recent proxy was filed. In its 2013 proxy published 4/19/2013 OMEX cites 22 companies in its peer group, 18 of which are still public. Using pricing data from Capital IQ, we evaluated the performance of this peer group on a 3-year prior basis to today (approximately 42 months from 4/19/2010, 3 years before the proxy was published). The data reveal that in OMEX’s self-reported peer group, 14 of the existing 18 stocks had lost value over the time period, and 11, or >60%, of these were down 50% or more over the time period. A startling 22% of the peer group (4 / 18) were down between ~90-99%, effectively representing a complete wipe out for shareholders of those stocks.

The following chart from the company’s recent proxy filing also shows what OMEX’s Board believes is reasonable based on the performance targets set for management incentive bonuses. Note the heavily weighted performance metric for burning “better than -\$26.7 million in cash” in the plan year. We believe these are shockingly bad performance expectations and do not understand why anyone deserves any bonus for simply burning less than -\$26.7 million dollars in one year.

Revenue (up to 60%)		Cash Flow (CF) (up to 40%)	
1) less than \$10 million	0%	1) worse than -\$6.3 million net positive CF	0%
2) \$10 - \$20 million	1% - 10%	2) better than -\$6.3 million net positive CF	1% - 20%
3) \$20 - \$25 million	11% - 25%	3) better than -\$26.7 million (operations only)	21% - 40%
4) \$25 - \$30 million	26% - 40%		
5) greater than \$30 million	41% - 60%		
EPS (up to 40%)			
1) between -\$ .28 EPS and -\$ .41 EPS			1% - 10%
2) better than -\$ .28 EPS (prorate between breakeven and -\$ .41EPS)			11% - 25%
3) positive EPS			25% - 40%

Another indicator of how lax OMEX is on executive compensation, they apparently don't think the value of recovered treasures is an important factor when setting management goals either⁶². Does this seem like a good alignment of interest for shareholders? Isn't recovering undersea cargo the primary purpose of the company?

“The value of recovered cargo was eliminated from the 2012 executive compensation plan...”

Similar to the NOLs, does this imply that OMEX no longer expects to recover any cargo? We also believe this is likely for a variety of reasons outlined throughout this report.

Chapter 2 – OMEX: Going to \$0.00 in Less Than 12 Months⁶³

In part from management's high compensation, OMEX has lost a truly incredible \$185m since inception. Furthermore, we believe OMEX's business is inherently unviable and getting worse⁶⁴ as they rapidly burn cash and increase their debt burden. We believe it is clear the primary reason OMEX still exists today is because of their ability to continuously issue stock. We think OMEX will have difficulty finding investors willing to participate in a follow on offering⁶⁵ and without this capital, OMEX will likely go bankrupt in less than 12 months⁶⁶. If regulatory action is taken due to this report, the timeframe could be far more rapid as we doubt the company's lenders will wish to participate in such an exercise.

Section 1 – We believe OMEX's operating business model is unviable and has been supported by selling stock

Why OMEX Lacks Serious Competition in the Deep Sea Treasure Hunting Business

If deep sea exploration and treasure hunting were profitable and economically attractive, other deep sea offshore oil and gas exploration companies worldwide would be actively searching for shipwrecks and exploiting their cargos. In fact, when OMEX does deep sea exploration and salvage work they typically charter ships from others and hire temporary contractors to perform the work. Per OMEX's 10K filing, most of OMEX's 43 full time employees work at the corporate headquarters in Tampa, FL. To go deep sea exploring, all you need is a few million dollars and access to a ship and crew, which are readily available for hire (as OMEX does). If this business were so promising, we believe others would be using their own ships and crew to seek lost treasures. Instead they lease them to OMEX. We think this situation is reminiscent of the 1800s gold rush where the people most likely to get rich were the ones selling and leasing tools to the prospectors, not the prospectors themselves.

Another indication the deep sea exploration business is unattractive is that every one of the undersea treasure hunting companies to go public since 1997 that we found are all now worthless or nearly worthless⁶⁷.

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⁶² <http://www.sec.gov/Archives/edgar/data/798528/000119312513162840/d484060ddef14a.htm>

⁶³ In our opinion

⁶⁴ The company has faced increasing UNESCO headwinds for the last several years as we discuss below

⁶⁵ Based on the company's history of repeated underwriting offerings with what we perceive as low quality underwriters such as Chardan Capital, Craig Hallum, and B. Riley, equity financings that have not resulted in consistent profits. We discuss underwriter quality below.

⁶⁶ Based on the recent 10Q revealing net cash of ~\$(5mm) and LTM free cash flow of \$(23mm); we believe this situation is made urgent by the lack of consistent revenue and the company's death spiral convertible bond

⁶⁷ Capital IQ

OMEX Public Competitors		(as of 10/29/13)		
Company Name	Ticker	Market Cap (\$,mm)	Price (\$)	Comment
Deep Blue Marine	DPBE	0.9	0.0005	Reverse merger, never produced material revenue, shares worthless
Earth Dragon Resources	EARH	0.9	0.0427	Reverse merger, never produced material revenue, shares worthless
Marine Exploration	MEXP	0.0	0.0001	Reverse merger, never produced material revenue, shares worthless
Oceanic Research & Recovery	ORRV	0.0	0.0001	Reverse merger, never produced material revenue, shares worthless
Seafarer Exploration	SFRX	17.3	0.021	Reverse merger, never produced material revenue, shares worthless
UnderSea Recovery	UNDR	0.192	0.0008	Reverse merger, never produced material revenue, shares worthless
Seahawk Deep Ocean Technology	SHWK	0.0	0.0012	Former Greg Stemm and John Morris company

Source: Capital IQ

“There is not much money in the treasure hunting business.”

–John Morris, Founder, previous OMEX CEO and current consultant, De Bry testimony in Seahawk trial

OMEX’s business is entirely unviable in our opinion and we wholeheartedly agree with John Morris’s assessment of the treasure hunting business. We wonder aloud, if John Morris believed there is not much money in the treasure hunting business, why did he co-found OMEX? We believe OMEX clearly lacks a viable business model and has no unique competitive advantages or ability to generate sustainable revenues or profits.

OMEX has never shown they can consistently generate a profit despite 16 years of history. This chart gives a graphic view of the company’s operating history through 2008. Since inception OMEX has lost approximately \$185.0 million and losses have been accelerating. In just the past 5 years, OMEX has a staggering cumulative loss of \$101.2 million. Note again that Greg Stemm became CEO in 2008 and has presided over this period of accelerated losses relative to the pre-2008 period in which the company lost money at a slower rate.

Dollars in thousands except per share amounts	2012	2011	2010	2009	2008
Results of Operations					
Revenue	13,198	15,727	21,001	4,347	4,105
Operating costs and expenses	31,382	31,952	44,344	22,975	28,946
Net income (loss)	(18,184)	(16,225)	(23,343)	(18,628)	(24,841)
Earnings (loss) per share – basic	\$ (0.25)	\$ (0.28)	\$ (0.36)	\$ (0.33)	\$ (0.50)
Earnings (loss) per share – diluted	\$ (0.25)	\$ (0.28)	\$ (0.36)	\$ (0.33)	\$ (0.50)
Cash dividends per share	—	—	—	—	—
Financial Position					
Assets	26,897	23,414	19,407	20,256	30,462
Long-term obligations	4,011	5,690	2,776	2,950	3,123
Shareholder's equity (deficit)	(20,759)	(9,775)	(7,548)	(7,562)	(18,125)

If You Can’t Generate Cash Flows from Operations.....Sell More Stock!

Based on the company’s history of large losses (accumulated deficit of \$185mm) discussed above, we doubt OMEX will ever generate sustainable positive cash flows, and as the table below shows, OMEX has survived this long because management has been successful in selling equity at highly dilutive terms. When OMEX became a public company through a reverse merger in 1998 around 10 million shares were outstanding. The number of shares has since ballooned to more than 80 million (fully diluted) and counting. It’s impressive that OMEX has been able to repeatedly tap the capital markets for more equity given its historically dismal operating results and poor prospects, but we believe this is now coming to an end.

The following chart shows the **incredible** growth in shares outstanding since OMEX went public via reverse merger:

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Current	Total
Share Count (in millions)	10.3	10.6	11.3	17.9	27.4	29.0	38.5	46.1	46.9	48	52.7	64.3	67.1	73.1	77.5	79.6	
YOY Change		0.3	0.7	6.6	9.5	1.6	9.5	7.6	0.8	1.1	4.7	11.6	2.8	6.0	4.4	2.1	69.3

Section 2 – The Vanishing promise of a For-Profit Historic Shipwreck Business: UNESCO and HMS Victory

While OMEX's financial track record is poor by any standard we can think of, the company's outlook is also rapidly deteriorating.

UNESCO: Legislating OMEX's Treasure Hunting Business out of Existence?

The "UNESCO Convention on the Protection of the Underwater Cultural Heritage" is an international agreement that, among other things, prohibits the sale of underwater treasure for profit from any shipwreck over 100 years old⁶⁸.

This 2001 agreement is gaining acceptance around the world and every year that goes by decreases the number of ships OMEX can ever target. Note that some countries have not ratified the entire agreement but that does not mean those countries have not adopted *parts* of this agreement as "best practice" they have committed to follow⁶⁹.

We see unmistakable evidence of the effect UNESCO regulations in the rapid disappearance of OMEX's shipwreck pipeline (below) and latest push into deep sea mining and commodity salvage work, efforts we expect to be unprofitable. The following chart details every court finding OMEX claimed in FL court to demonstrate their activity in securing legal rights to wrecks⁷⁰. This is a crucial process for OMEX, verified by the enormously expensive legal fees spent to "arrest" these shipwrecks for future salvage operations⁷¹.

Party Name	Court	Case	Date Filed	Date Closed	Summary	Outcome
Odyssey Marine, Inc (cust)	flmdce	8:2008-cv-02220	11/5/2008	9/13/2010	HMS Victory	OMEX Probably Loses: Outcome Unclear
Odyssey Marine, Inc (pla)	flmdce	8:2008-cv-02220	11/5/2008	9/13/2009	Deep6's Salvage Already, Steamship Cairnhill	OMEX Loses
Odyssey Marine, Inc (pla)	flmdce	8:2008-cv-02219	11/5/2008	7/20/2009	Deep6's Salvage Already, Laconia	OMEX Loses
Odyssey Marine, Inc (pla)	flmdce	8:2008-cv-01044	5/29/2008	8/2/2010	French Ship Le Marquis Tournay	OMEX Loses: France signed UNESCO
Odyssey Marine, Inc (pla)	flmdce	8:2008-cv-01045	5/29/2008	9/18/2009	HMS Victory	OMEX Probably Loses: Outcome Unclear
Odyssey Marine, Inc (pla)	flmdce	8:2007-cv-00614	4/9/2007	12/28/2009	"Black Swan" owned by Spain	OMEX Loses
Odyssey Marine, Inc (pla)	flmdce	8:2007-cv-00616	4/9/2007	7/8/2009	1915 Italian Ancona	OMEX Loses: Other Salvagers Already Been to this Site
Odyssey Marine, Inc (pla)	flmdce	8:2006-cv-01685	9/13/2006	8/16/2012	Merchant Royale? Nothing Valuable Found	OMEX Loses
Odyssey Marine, Inc (pla)	flmdce	4:2005-cv-00122	9/23/2005	3/31/2009	Partnered with BDJ Discovery Group	OMEX Loses: Nothing Valuable Found
Odyssey Marine, Inc (pla)	flmdce	3:2004-cv-00544	6/24/2004	9/15/2004	Drunk OMEX Employee Crashed Motorcycle	Not Relevant and Dismissed
Odyssey Marine, Inc (pla)	flmdce	8:2003-cv-01668	8/7/2003	3/24/2004	SS Republic	OMEX "wins": Despite Finding the SS Republic, still manages to burn -\$16m in cash 2003-2006 period
Odyssey Marine, Inc (pla)	flmdce	8:2003-cv-01449	7/10/2003	3/5/2004	19th Century Steamship of GA	OMEX Loses: Nothing Valuable Found
Odyssey Marine, Inc (pla)	flmdce	8:2003-cv-01450	7/10/2003	10/21/2003	19th Century Steamship off FL	OMEX Loses: Nothing Valuable Found

Note that OMEX has not filed a new claim since 2008. The Company's Form 10K filings over the past five years reveal a rapidly shrinking pipeline⁷² further supporting our conclusion that the deep sea treasure hunting business faces increased headwinds and is not viable. It is not a coincidence OMEX is now

⁶⁸ <http://www.unesco.org/new/en/culture/themes/underwater-cultural-heritage/>

⁶⁹ http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CLT/images/20120629-Concept_Paper_UNESCO_Regional_Capacity_Building_Programme_for_the_Caribbean.pdf

⁷⁰ Source: PACER (including the drunken employee crashing a motorcycle)

⁷¹ We are assuming that 12 legal cases with hundreds of files is expensive

⁷² Currently only one historic ship named in OMEX filings, in the past there were many

moving into speculative mining⁷³ and lower margin, highly competitive salvage businesses⁷⁴ as UNESCO applies primarily to ships 100+ years old.

OMEX's Last Treasure Ship HMS Victory: Already Delayed 2 Years and We Believe Near Certain Failure

With a shrinking pipeline and increasing legal headwinds from the UNESCO convention, the last historic shipwreck OMEX is publicly discussing is the HMS Victory in the UK and we believe OMEX will come up empty on this endeavor. Our view is based on the only non-OMEX analysis of the HMS Victory we found, which concluded it “very unlikely” the Victory ever had any treasure on it (explanation begins page 26, section 5.5 “Potential For The Presence of Valuable Cargo” in following linked document)⁷⁵.

In a violation of the international UNESCO agreement⁷⁶, the UK unexplainably gave OMEX the right to exploit a historic UK deep sea national war grave site for profit. To make the situation even more curious, we have been told an organization offered to work for free on the HMS Victory site initially and an open auction for the right to work on HMS Victory did not occur⁷⁷. We believe there are **certainly** UK salvage firms and academic groups that would happily compete with OMEX for the right to participate in the opportunity to work on a UK national treasure – and we find it logical some competitors could complete the job at lower cost because they lack public company cost, excessive insider compensation, and/or have more archaeological experience. As a result, the lack of an open, competitive and transparent process for awarding the salvage right is surprising to both us and a subject matter expert we spoke with⁷⁸. It should be noted that OMEX charters ships and hires temporary contractors to work the HMS site (as was done with Gairsoppa and Mantolla) so claims that OMEX has unique abilities are not justified.

Although OMEX technically has the relationship with the nonprofit gifted the right to salvage the HMS gravesite, OMEX hasn't been able to convert this to an actual excavation for over two years and we believe the handwriting is on the wall. Widespread public outrage in the UK about the situation is palpable as the following links indicate⁷⁹:

<http://www.heritagedaily.com/wp-content/uploads/2012/07/HMS-VICTORY-SCANDAL-A-HERITAGE-DAILY-SPECIAL-INVESTIGATION-1.pdf>

<https://sites.google.com/site/adsirjohnbalchendescendant/>

<http://www.independent.co.uk/news/uk/home-news/in-too-deep-warship-wreck-bounty-hunter-under-scrutiny-from-britains-marine-watchdog-8906374.html>

Given the public and political reaction to the HMS Victory situation, we consider it *extremely* unlikely OMEX will be allowed to excavate and exploit the HMS Victory. Imagine if a UK salvage company with a questionable track record planned to exploit historic US military shipwrecks and gravesites for profit and never faced a transparent or competitive process. OMEX investors are hoping they could make “hundreds of millions of dollars” from this project, if this is true we don't see how this is favorable for the

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⁷³ We were unable to find even one example of a successful deep sea mining business as far back as the 1970s. According to <http://www.deepseaminingoutofourdepth.org/>, Nautilus Minerals has the world's first deep sea mining license. We remind readers that Nautilus currently has an accumulated deficit of \$280mm and is currently in dispute with its licensing partner, Papua New Guinea.

⁷⁴ <http://gcaptain.com/growth-technology-marine-salvage-rich-habib-titan-salvage/>

⁷⁵ <http://www.wessexarch.co.uk/system/files/hms%20victory%20dba%20final%20version-web.pdf>

⁷⁶ <http://www.unesco.org/new/en/culture/themes/underwater-cultural-heritage/2001-convention/>

⁷⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/34242/1st_v1744_ag_mtg.pdf

⁷⁸ Our source asked to remain anonymous

⁷⁹ <http://www.telegraph.co.uk/news/uknews/defence/9756912/US-treasure-hunters-ready-to-snatch-gold-from-the-jaws-of-Victory.html>

UK and we also don't understand how OMEX's primary goal of maximizing profits aligns with the archaeological needs the UK people deserve. We think this would never ever happen in the US or many other developed countries and, in our view, OMEX's last treasure hunting project is dead.

Furthermore, even if OMEX somehow overcomes all these obstacles and is able to successfully salvage the site **and** finds anything of value, the UK keeps ~20% of the proceeds (which seems shockingly low to us). In addition, OMEX committed to pay John Morris's Galt a 200% return on Galt's initial investment plus 7.125% of the HMS profits so after operating and salvage expenses, management compensation and Galt's share of the proceeds, it is very possible there is little left for OMEX and its shareholders.

OMEX's history with Spain's "Black Swan," the many HMS Victory issues and UK public outrage all do not bode well for other shipwrecks OMEX hopes to exploit. With HMS Victory the last named treasure ship in the pipeline, we think the future for OMEX's deep sea treasure hunting business is very bleak. We are sure the world is watching closely, making any potential progress with Gloucester site and "anonymous" Middle East royal families unlikely.

Section 3 – We believe OMEX desperately needs to raise capital⁸⁰

As the years have gone by and losses mounted, OMEX has raised capital from what we believe are some of the least reputable underwriters on Wall Street based on the track record of their clients' business and stock performance. More recently, the company's balance sheet has deteriorated as they have increased debt and entered into an onerous convertible bond which contains a "death spiral"⁸¹ conversion feature⁸². It appears difficult for OMEX to continue to raise capital in light of accelerating operating losses, lack of substantial results from prior equity raises, and current net debt burden. We see this as consistent with Greg Stemm's recent public statement⁸³, "[OMEX is] in position to fund our scheduled exploration and recovery activities through this year and most of 2014." We believe OMEX will lose the ability to sell stock to fund operating losses and the company will go bankrupt in less than one year.

At Some Point Loss Making Businesses Run Out of Places to Raise Capital

For unviable businesses, at some point legitimate sources of capital dry up and we believe OMEX is at this point.

Looking at OMEX's list of underwriters, including Chardan Capital, highlights our point. Chardan is a firm specializing in raising equity for reverse merger companies (such as OMEX) with a long history of working with Chinese reverse mergers, many of which were proven to be fraudulent and delisted⁸⁴. Chardan has been investigated by the SEC and FINRA resulting in sanctions and fines^{85, 86}.

We pose several questions to investors: If OMEX has such bright prospects for its salvage recovery business why would it have difficulty raising capital from a recognized underwriter, such as a bulge bracket bank? If the undersea mining business were indeed so promising, wouldn't Goldman Sachs, Citigroup or another top-tier investment bank be clamoring to get this business? Why hasn't OMEX announced their supposed "top-tier" investment banking relationship the company has mentioned

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⁸⁰ <http://shipwreck.net/pr272.php>

⁸¹ <http://www.investopedia.com/terms/d/deathspiral.asp>

⁸² <http://www.sec.gov/Archives/edgar/data/798528/000119312512460555/R14.htm>

⁸³ <http://ir.odysseymarine.com/releasedetail.cfm?ReleaseID=785335>

⁸⁴ <http://seekingalpha.com/article/299068-17-reasons-not-to-take-chardans-wavering-opinion-on-zhongpin-seriously>

⁸⁵ <http://usatoday30.usatoday.com/money/markets/story/2011-12-26/china-us-merger-cautionary-tale/52233828/1>

⁸⁶ <http://buyersstrike.wordpress.com/2011/08/29/another-fraud-another-bad-director-mak-king-kong-kin-kwong-apwr-csr-tsl-etc/>

repeatedly⁸⁷? If a “top-tier” relationship really exists, surely now is the time to mention it because we estimate the company will be out of cash in the next 2-3 quarters⁸⁸.

Section 4 – OMEX management has publicly stated they don’t have enough cash to make it through 2014

If this report didn’t already raise enough red flags, OMEX does not seem to have enough cash to make it through 2014 as they clearly state:

*“These results, along with planned monetization of mineral exploration projects, **put us in position to fund our scheduled exploration and recovery activities through this year and most of 2014**,” said Greg Stemm, Odyssey's chief executive officer.⁸⁹”*

We understand this to mean the CEO is telling us that, even with more financing involving questionable offshore mining ventures, OMEX won’t have enough cash to even last through next year. What happens if OMEX cannot find more investors willing to buy OMEX shares? We believe the stock will become worthless or nearly worthless, like every other publicly traded treasure hunting company we identified.

Section 5 – OMEX’s shipwreck hunting peers have all imploded, including OMEX’s predecessor, Seahawk⁹⁰

We show this chart again because we think it is telling that there have been many deep sea exploration companies, including one run by OMEX’s management, and every single one of them has resulted in a stock price of zero or near zero.

OMEX Public Competitors		(as of 10/29/13)		
Company Name	Ticker	Market Cap (\$,mm)	Price (\$)	Comment
Deep Blue Marine	DPBE	0.9	0.0005	Reverse merger, never produced material revenue, shares worthless
Earth Dragon Resources	EARH	0.9	0.0427	Reverse merger, never produced material revenue, shares worthless
Marine Exploration	MEXP	0.0	0.0001	Reverse merger, never produced material revenue, shares worthless
Oceanic Research & Recovery	ORRV	0.0	0.0001	Reverse merger, never produced material revenue, shares worthless
Seafarer Exploration	SFRX	17.3	0.021	Reverse merger, never produced material revenue, shares worthless
UnderSea Recovery	UNDR	0.192	0.0008	Reverse merger, never produced material revenue, shares worthless
Seahawk Deep Ocean Technology	SHWK	0.0	0.0012	Former Greg Stemm and John Morris company

Source: Capital IQ

⁸⁷ <http://files.shareholder.com/downloads/OMEX/2588579503x0x693434/8e97e441-538f-4132-9b27-b46a58bb2911/OMEX%20IR%20Preso%209%2025%2013%20FINAL.pdf>

⁸⁸ <http://files.shareholder.com/downloads/OMEX/2588579503x0x693434/8e97e441-538f-4132-9b27-b46a58bb2911/OMEX%20IR%20Preso%209%2025%2013%20FINAL.pdf>

⁸⁹ <http://shipwreck.net/pr272.php>

⁹⁰ Source: Capital IQ

Chapter 3 – We believe the undersea mineral exploration business is unviable and worth zero. In our view, management claims of “off balance sheet value” are based on non-arm’s length transactions, which we detail below.

Section 1 – Understanding Complex Accounting

We believe OMEX uses complex and opaque financial structures to obfuscate the true nature of cash transfers and massively inflate valuations of their undersea mining investments. We believe there are a number of remarkable similarities to Enron both in the vagueness of the language and platitudes from management as well as the use of offshore financial structures managed by friendly parties with parallel relationships with the company. In order to explain in detail what we believe is taking place, it is necessary to review some advanced accounting lessons. We have done our best to illustrate and simplify the principles used.

Fictitious Value Creation Accounting 101: Enron Case Study⁹¹

Enron is famous now for their accounting scandal that covered up weak business performance until the charade was revealed and blew up in October 2001. Enron’s President would dazzle investors with lofty but non-specific platitudes: from the 2000 (final) shareholder letter:

“Our talented people, global presence, financial strength and massive market knowledge have created our sustainable and unique businesses. EnronOnline will accelerate their growth. We plan to leverage all of these competitive advantages to create significant value for our shareholders.”

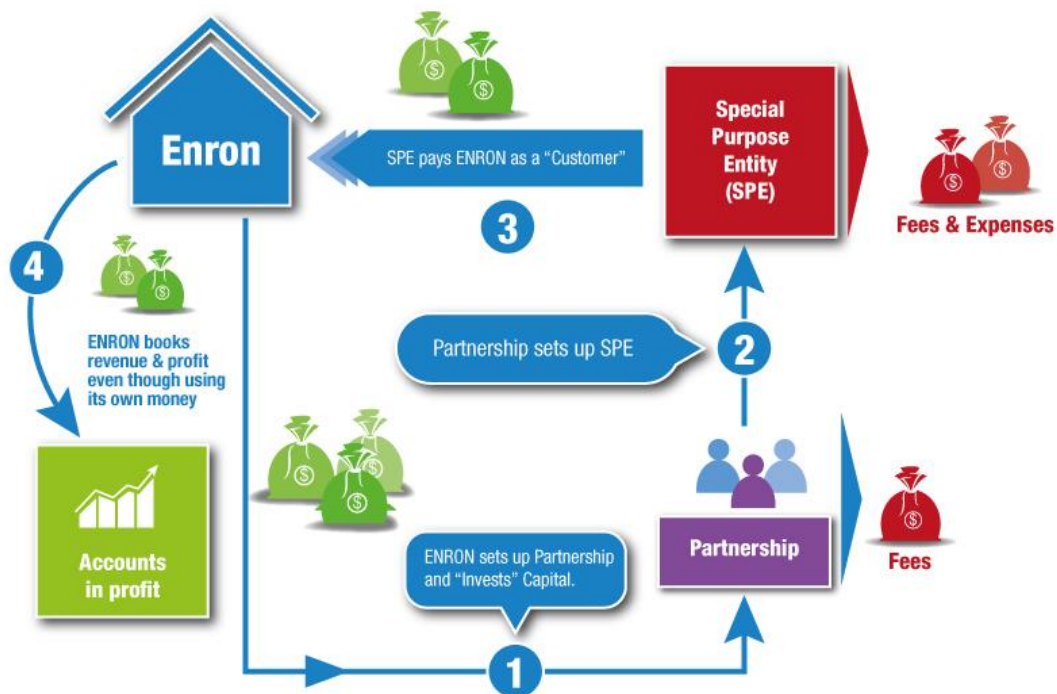
As it turned out there was one skill they were quite adept at: obfuscating financials to hide the fact that their business was worthless.

The mechanism Enron used can be summarized as follows:

- 1) Create and capitalize a Partnership (“Partnership”) with some partners in a way that carefully avoids GAAP consolidation of accounts while still holding a substantial level of influence or control over the subsidiary.
  - a. For example, have your CFO, a board member, or a close friend control the subsidiary.
- 2) The Partnership creates a new company called a Special Purpose Entity (“SPE”) which obfuscates the source of cash in a way that is not booked as an expense but rather an “investment”.
- 3) The SPE can then take the cash from the Partnership, which is from Enron, in addition to money from outside investors as equity and debt. After the cash has been transferred, the SPE can then become a customer of Enron, sending the cash straight back to Enron (after paying healthy fees to the partners who are of course taking substantial risk should the scheme be uncovered: note, it was and jail time was served.)
- 4) This cash recycling back to Enron (out of the left pocket and into the right!) is now booked as revenue and profits, which fictitiously inflated Enron’s accounts and valuation.

- 5) Repeat steps 1-4 as needed for multiple layers of complex Partnerships and SPEs (for extra layers of obfuscation) to book desired arbitrary revenue and profitability while concealing losses in the unconsolidated entities.

Fictitious Value Creation Accounting 101



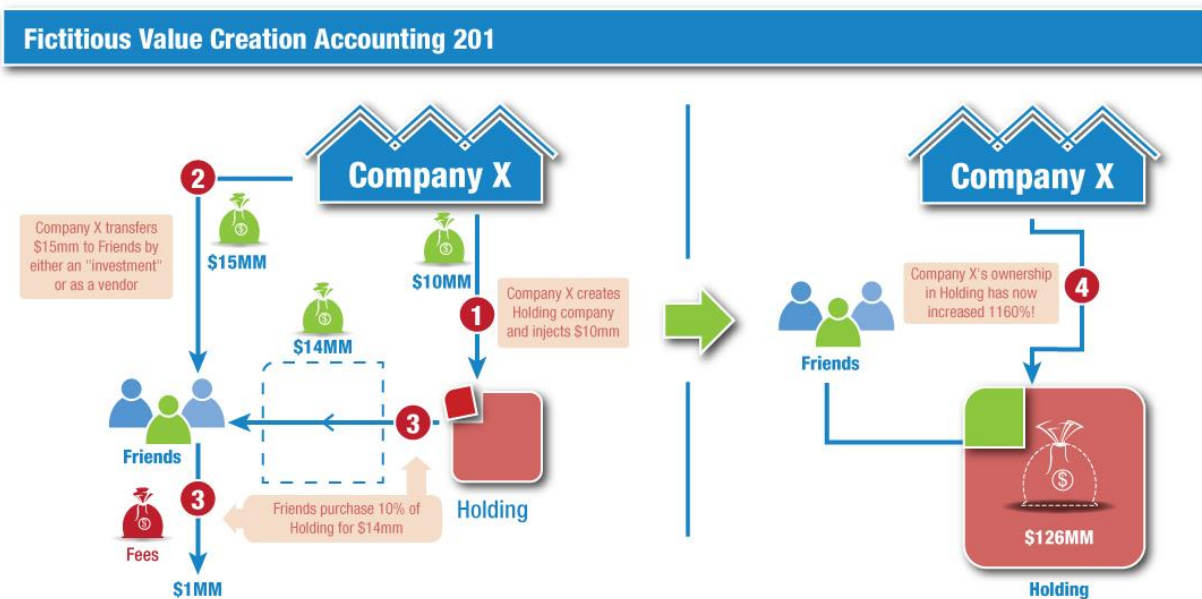
Fictitious Value Creation Accounting 201

Enron's investor base was driven by Wall Street's quarterly earnings. So Enron used their technique to boost GAAP earnings per share to reach their targets. However, let's take a hypothetical case where investors were not driven by quarterly earnings because the business was less mature. Companies in a development phase are likely unprofitable so a more appropriate way to value them might be on a "Net Asset Value" (NAV) basis.

Let's investigate a possible technique that a clever CEO of hypothetical "Company X" could use in order to create fictitious value even more prodigiously than Enron attempted:

1. Create or purchase a small company ("Holding"). With this technique consolidation is less important as the Earnings are a GAAP concept with specific rules while NAV is not as strictly calculated.
  - a. For illustrative purposes, let's say the Holding has no assets but when founded, Company X injects \$10mm of cash into the Holding.

- b. Holding clearly has a \$10mm valuation at this point, Company X owns 100% of it so their equity stake is worth \$10mm.
2. Company X transfers some money to a friendly party (“Friend”) – through an investment or perhaps by acting as a customer to Friend.
  - a. For illustrative purposes, let’s say Company X transfers \$15mm to Friend.
  - b. In case you are curious – it would be preferable for Company X to transfer the \$15mm as an investment rather than as a customer because then they do not need to book an expense, but if they are not concerned about profitability then the difference is less important.
3. Company X then sells a stake in Holding to their Friend, who is ostensibly acting as an arms-length third party investor but is in fact simply recycling the money back from Company X (again, after a fee of course! This stuff is risky once the lid gets blown off! Enron : Prison)
  - a. For illustrative purposes, let’s say Company X sells 10% of Holding to Friend for \$14mm. This values all of Holding at \$140mm and the 90% that Company X retains ownership of at \$126mm.
4. Et Voila: The \$10mm of value now appears to have turned into \$126mm of equity value based on the “valuation” that an ostensibly independent party paid! 1160% unrealized return!
  - a. This is far more potent than Enron’s 101 example as Enron would only have booked the \$15mm of recycled cash as \$15mm revenue; here the effect is amplified by an order of magnitude!



Now let’s step out of the classroom...

Subsection 1 – OMEX’s claim of “Off Balance Sheet Value Creation” raises red flags

Odyssey's 2-Year Track Record in Seabed Minerals

MARINE EXPLORATION

NASDAQ:OMEX



Figure 1 Source: OMEX presentation at Craig Hallum Sept 25, 2013

We believe OMEX is representing valuations of their stakes Neptune and Oceanica that are wildly overstated based on what we believe to be non-arm’s length valuations by third parties that have numerous ties to OMEX. In this report we map out the spider web of connections between the parties involved.

In fact, we believe that a more accurate valuation of these properties is the carrying value that OMEX uses on their balance sheet (which is zero). We believe that Neptune and Oceanica are at best, longshot concepts likely to end up valueless as we will discuss.

Most alarmingly, OMEX, via their Oceanica, subsidiary is partnered with a newly formed company, DNA Ltd Inc. DNA was formed by 3 principals and a lawyer who appear to have been connected to at least alleged 3 frauds before including a \$400mm alleged money laundering scandal, Teegan, Inc., which we outline below.

Subsection 2 - Why Value \$179 million Of Mining Investments at \$0.00 On OMEX’s Balance Sheet despite Clear Control of “Oceanica”?

OMEX presents \$179 million of off balance sheet value in their investments in offshore mining businesses at recent investment conferences despite the fact the investments are carried on the company’s balance sheet at \$0. Why?

Holdings	Odyssey Stake	Carrying value on Odyssey books	Value of Odyssey's stake based on recent equity transaction
Oceanica Resources	54.6 %	\$0	\$68.3M ¹
Chatham Rock Phosphate	6.9 %	\$0	\$3.3M
 NEPTUNE MINERALS	30%	\$0	\$108M ¹

There have been recent financing transactions in all of these businesses that OMEX could use as the basis for valuing these investments⁹² and there are many public companies around the world that make private investments and value those on their balance sheet. With respect to the 268,238 hectare Mexican “Oceanica” Project, there is a strong basis for consolidating the company with OMEX since they “control” over 50% of Oceanica shares and “control” Oceanica with 2 of 3 board seats⁹³.

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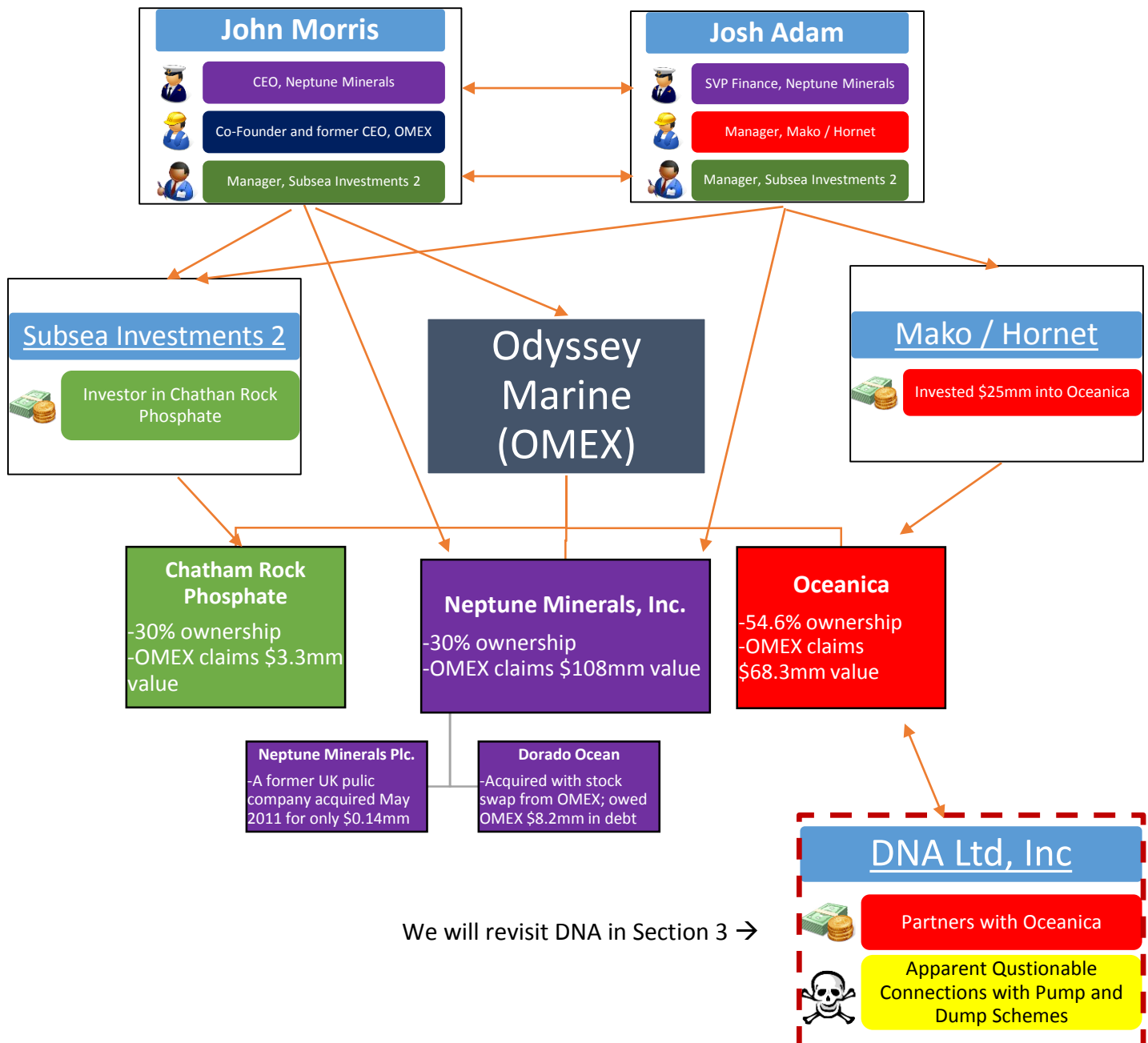
⁹² <http://www.shipwreck.net/pr256.php>

⁹³ <http://shipwreck.net/pr260.php>

Section 2 – Underwater Mining Investments: A web of related parties make arms-length valuation claims incredulous

If this new undersea mining business is so promising, why are all of OMEX's investments connected to John Morris?

OMEX Deep Sea Mining Related Party Transactions – All Paths Lead to John Morris



Section 3 – We believe Neptune Minerals, Inc is a re-run of Neptune Minerals Plc which IPO'd in the UK in 2005 and went defunct in 2009; it was resurrected in 2011 as John Morris acquired it for a mere \$140,000

"We've been paddling very hard since IPO", says Neptune Minerals' chief executive Simon McDonald. - 2007⁹⁴

Neptune Minerals Plc. Raised \$16.37mm in an IPO Oct 10, 2005 and a subsequent \$5.01mm in a secondary offering June 18, 2007 – a total of \$21.38mm raised from investors and subsequently written off. Neptune had exploration licenses over a total of approximately 278,000 square kilometers. As of June 30, 2009, Neptune Minerals Plc final filing as a public company:

*The group commenced active exploration in December 2005 within **New Zealand** waters. As at 30 June 2009, the Group owned 100% of Prospecting Licences ("PL") PL 39-194 (Monowai, 47,110 square kilometres). PL 39-195 (**Kermadec**, 3,447 square kilometres) and PL 39-205 (Colville, 13,030 square kilometres). The Company holds 100% of each licence through Neptune Resources New Zealand Limited*

...

*The recoverability of the exploration expenditure is dependent upon economically recoverable mineral reserves being discovered in the licence areas and sufficient cash resources being available to enable the group to complete exploration activity and access those mineral reserves. The exploration expenditure relates only to mineral exploration activities in the New Zealand Kermadec, Monowai and Colville licence areas specifically vessel charter, seafloor mapping and surveying, sampling as well as environmental biological studies. **Based on this uncertainty the Directors deem it prudent to write off these assets against the income statement.***

Subsequent to June 2009, Neptune reduced its staff to bare bones and discontinued filing financial statements with the regulatory authorities.



Neptune *redux*, Plc. → Inc.:

Let us walk through the history of Neptune Minerals, Inc., which OMEX owns 30% of and claims has a private market value of over \$300mm based on its most recent capital raises. We believe this valuation is incredulous and Neptune is likely a worthless business given that it was acquired for ½ a penny per share.

February 23, 2011: John Morris & colleagues form Neptune Minerals, Inc and raise \$20.78mm from 104 investors (\$200k per person):

⁹⁴ (<http://minesite.com/news/neptune-minerals-will-have-to-paddle-hard-to-catch-up-with-nautilus-in-the-sub-sea-stakes>)

http://www.sec.gov/Archives/edgar/data/1535730/000089706912000331/xslFormDX01/primary_doc.xml

Note: The filing appears to have been filed with the SEC about 18 months late.

May 13, 2011: Less than 3 months later, Neptune Minerals, Inc. acquired Neptune Minerals, Plc for £0.002829 per share (roughly ½ a penny per share), for a total cost of approximately \$140,000 or about the price of a high end Mercedes. The tender offer process completed two months later on July 18, 2011.

May 18, 2011: Neptune Minerals, Inc acquires Dorado Ocean Resources Ltd from OMEX in a stock swap – note Dorado was unable to service its debt to OMEX as we discuss elsewhere in this report and may have been a worthless entity.

Neptune Minerals, Inc. entered into a share exchange agreement to acquire Dorado Ocean Resources Limited from Odyssey Marine Exploration Inc. (NasdaqCM: OMEX) and others on May 18, 2011. Under the terms of the deal, each one outstanding share of Dorado Ocean was exchanged for 1,000 shares of Neptune Minerals Class B non-voting common stock. Odyssey received 1.65 million shares of Neptune Minerals Class B non-voting common stock pursuant to the share exchange. Neptune Minerals assumed \$8.2 million of the outstanding debt of Dorado Ocean owed to Odyssey.

(Source: OMEX 8-K Filed June 7, 2011)

June, 2011: OMEX “converted \$2.5 million of the debt for 2.5 million shares of NMI Class B non-voting common stock.” Why would Neptune convert debt to equity unless the equity was worth less than its debt?⁹⁵

March 12, 2012: OMEX reports that it generated \$11.3mm revenue from Neptune Minerals Inc. This represents 97% of OMEX’s expedition charter revenue in 2011⁹⁶.

Aug 14, 2012: Neptune Minerals, Inc. announced that it would receive \$35,000,000 in investment but could only close \$3.5mm from one investor. **Who is this undisclosed investor - are they related to OMEX?**⁹⁷

Nov 8, 2012: OMEX announces the following:

*“Odyssey is continuing to build on our pioneering work in the field of underwater mineral exploration and we have several opportunities to build shareholder value in this field,” said Greg Stemm, Odyssey CEO. “For example we currently hold 6.2 million shares of Neptune Minerals which recently secured additional funding to execute their initial drilling program. This recent capital raise was valued at \$17.50 per share, **which would value our holding at more than \$100 million.**”*

<http://www.shipwreck.net/pr256.php>

So based on a recent \$3.5mm capital raise that appears to be 90% below expectations for Neptune Minerals, Inc., OMEX extrapolates a \$100 million valuation for their stake. We still don’t know who the \$3.5mm was raised from but we caution shareholders given the number of related party transactions OMEX and its current and former management are involved in.

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⁹⁵ <http://www.sec.gov/Archives/edgar/data/798528/000119312513103176/d442627d10k.htm>

⁹⁶ <http://www.sec.gov/Archives/edgar/data/798528/000119312513103176/d442627d10k.htm>

⁹⁷ http://www.sec.gov/Archives/edgar/data/1535730/000089706912000332/xslFormDX01/primary_doc.xml

March 7, 2013: Neptune Minerals, Inc announced that it will receive a \$5,000,000 round of funding. It was only able to close \$800,000 from 6 investors⁹⁸.

Neptune appears to us to be a re-run of the same movie and raises serious questions:

- 1) Does Neptune Minerals, Inc. have any exploration licenses in addition to those it acquired from Neptune Minerals, Plc for \$140,000 in 2011?
- 2) On Nov 8, 2012, OMEX CEO Greg Stemm claims that OMEX owns over \$100 million worth of Neptune stock. Is this based on the \$3.5mm raise that Neptune completed from a single investor Aug 14, 2012?
- 3) Was OMEX related somehow to the \$3.5mm that Neptune raised at \$17.50/share?
- 4) How much cash has OMEX paid to or invested with John Morris and any affiliated entities since February 23, 2011 when he formed Neptune Minerals, Inc.?

Do OMEX's claim to investors of a \$1-2 BILLION Neptune Minerals potential asset value seem reasonable to you?

Subsea Mineral & Mining Asset Values				
Holding	Asset	Current Asset Value	Potential Asset Value	Value Catalysts
Neptune Minerals	6.2 Million Shares	\$108MM BS = \$0	\$1 - \$2BN*	IPO, Acquisition, Sale of deposit, Production Rev
Chatham Rock (CRP.NZ)	9.32 Million shares	\$3.6MM NZ** BS = \$0	\$17.43MM NZ ***	Acquisition, Sale of deposit, Production Rev

* Estimated by OMEX, based only on OMEX's current share of a single deposit of 20 million tons of resources at \$1,000 per ton and a similar EV/in-situ value to publicly traded major mining companies based on their proven and probable reserves
** Based on share price of \$3.39/NZ on 1/16/13
*** Edison Investment Research - CRP Initiation of Coverage Report 9-26-2012 forecasts a share price of \$1.87/NZ

www.shipwreck.net 15 **ODYSSEY** MARINE EXPLORATION

⁹⁸ http://www.sec.gov/Archives/edgar/data/1535730/000089706913000218/xslFormDX01/primary_doc.xml

Here is a screenshot from Capital IQ showing the connection between Neptune Minerals Plc. and Neptune Minerals Inc. Note: These subsidiaries with the exploration licenses in multiple different countries existed before John Morris acquired Neptune Minerals Plc. in 2011.

The screenshot displays the Capital IQ Corporate Structure Tree for Neptune Minerals Plc. The interface is divided into two main panels. The left panel, titled 'Corporate Structure Tree', shows a hierarchical view of the company's subsidiaries. The right panel, titled 'Company Information', provides detailed data about Neptune Minerals Plc.

Corporate Structure Tree:

- Neptune Minerals Plc. (Parent Company)
  - Neptune Minerals (PNG) Limited (Current Subsidiary/Operating Unit | Stake Type: Majority | % Owned: - | LTM Total Revenues (MM): - | LTM Net Income (MM): - | LFQ Total Debt (MM): - | Headquarters: Papua New Guinea)
  - Neptune Minerals (Vanuatu) Limited (Current Subsidiary/Operating Unit | Stake Type: Majority | % Owned: - | LTM Total Revenues (MM): - | LTM Net Income (MM): - | LFQ Total Debt (MM): - | Headquarters: Vanuatu)
  - Neptune Minerals Japan Kk. (Current Subsidiary/Operating Unit | Stake Type: Majority | % Owned: - | LTM Total Revenues (MM): - | LTM Net Income (MM): - | LFQ Total Debt (MM): - | Headquarters: -)
  - Neptune Resources (New Zealand) Limited (Current Subsidiary/Operating Unit | Stake Type: Majority | % Owned: - | LTM Total Revenues (MM): - | LTM Net Income (MM): - | LFQ Total Debt (MM): - | Headquarters: -)
    - Neptune Resources (Colville) Limited (Current Subsidiary/Operating Unit | Stake Type: Majority | % Owned: - | LTM Total Revenues (MM): - | LTM Net Income (MM): - | LFQ Total Debt (MM): - | Headquarters: New Zealand)
    - Neptune Resources (Kermadec) Limited (Current Subsidiary/Operating Unit | Stake Type: Majority | % Owned: - | LTM Total Revenues (MM): - | LTM Net Income (MM): - | LFQ Total Debt (MM): - | Headquarters: New Zealand)
    - Neptune Resources (Monowai) Limited (Current Subsidiary/Operating Unit | Stake Type: Majority | % Owned: - | LTM Total Revenues (MM): - | LTM Net Income (MM): - | LFQ Total Debt (MM): - | Headquarters: New Zealand)

Company Information:

Name: Neptune Minerals Plc.

Relationship: Parent Company

Parent: Neptune Minerals, Inc.

Company:

Ultimate Corporate Parent: Neptune Minerals, Inc.

Majority Investor: Neptune Minerals, Inc. (100.00%) (% Owned)

Minority Investor(s): - (% Owned)

Investors (unknown stake): -

Business Description: Neptune Minerals Plc. engages in the identification, exploration, and development of precious and base-metal seafloor massive sulphide (SMS) deposits primarily in the New Zealand held acreage. It holds 100% interest in 25 prospecting licenses for SMS deposits totaling approximately 278,000 square kilometers located in the territorial waters of New Zealand, the Federated States of Micronesia, Papua New Guinea, and Vanuatu. The company was founded in 1999 and is based in Farnham, United Kingdom. As per the transaction announced on May 14, 2011, Neptune Minerals Plc. operates as a subsidiary of Neptune Minerals, Inc. << Less

Headquarters: Farnham, Surrey | United Kingdom

Primary Industry: Diversified Metals and Mining

LTM Total Rev. (MM): -

Net Income (MM): -

LFQ Total Assets (MM): 0.73

LFQ Total Debt (MM): 0.00

Period End Date: -

Most Recent S&P Rating: -

Related Transaction (Size in \$mm)

Announced Date	Transaction Type	Size
May-14-2011	Merger/Acquisition	0.14

Viewing 1 Transactions

Subsection 1 – Unwinding the web of relationships at Neptune Minerals, Chatham Rock Phosphate and Oceanica

Remarkably, every offshore mining deal that OMEX has done since 2009 has been with a company directly or indirectly connected to John Morris. This pattern is made clear by looking at the following new business ventures chronologically:

- **Neptune Minerals Predecessor - SMM, LLC (John Morris's brother David Morris put on the Board):** In December 2009, OMEX paid \$500,000 for a 25% stake in SMM⁹⁹, LLC, OMEX's first deep sea mining company operating in the South Pacific mining region. The address for SMM is a residential home in Minnesota¹⁰⁰. John Morris's brother, David Morris, was appointed to the company's board of directors. David Morris is also employed by OMEX as "Assistant Secretary"¹⁰¹.
- **Neptune Minerals Predecessor - Dorado Resources (John Morris Shareholder):** In April 2010: OMEX exchanged its SMM shares for 450 shares of Dorado Resources and committed \$2.0 million cash or marine services for all of Dorado's 1,200 shares outstanding. OMEX's Q1 2010 Form 10Q filing disclosed the following:

"Certain individuals that are currently, or have been in the past, related to Odyssey, own shares in Dorado including John Morris (90 shares), Tom Dettweiler (90 shares), Roy Truman (23 shares), Andrew Craig (45 shares) and shares are held in trust for Greg Stemm and Odyssey Marine Exploration (120 shares). In addition, Odyssey will provide proprietary expertise and personnel management to Dorado under contract."¹⁰²

This disclosure is very unclear to us and we ask OMEX to clarify. Did OMEX simply buy Dorado shares Morris and Stemm owned? SMM and Dorado were referred to together and connected from OMEX's first investment so were any OMEX employees or management also investors or otherwise involved in SMM, LLC?

Note that SMM became Dorado which then became Neptune. This is hard to follow because the entities keep merging with one another, something we believe may be designed to obscure what is occurring.

OMEX's 2010 Form 10K filing disclosed that Dorado was charged \$7.9 million for marine services performed by OMEX over a 12 month period but only paid \$1.0 million. The filing also disclosed Dorado had negative cash flows from operations in 2010 of \$12 million so the poor financial performance of Neptune should be no surprise to OMEX since John Morris is on Dorado's board. An apparent question is why continue to provide deep sea mining services to Dorado knowing they have essentially no ability to pay for the work performed? In any event, it should come as no surprise that OMEX subsequently wrote the receivable due from Dorado off¹⁰³. So Dorado (a company John Morris apparently owns shares in) benefited from OMEX's work at the expense of OMEX's shareholders? We interpret this to mean that Dorado essentially received free services from OMEX in the amount of \$6.9mm. If true, that is a highly negative development for shareholders.

We also note in the same filing that Robert Fraser Partners, another entity that OMEX provided services to, owed OMEX \$1.6 million for their "Shantaram" project. Fraser Partners has been

⁹⁹ <http://www.sec.gov/Archives/edgar/data/798528/000119312509239240/d8k.htm>

¹⁰⁰ <http://www.insideview.com/directory/smm-project-llc>

¹⁰¹ http://www.sec.gov/Archives/edgar/data/1477127/000147712709000001/xslFormDX01/primary_doc.xml

¹⁰² <http://www.sec.gov/Archives/edgar/data/798528/000119312510112875/d10q.htm>

¹⁰³ <http://www.sec.gov/Archives/edgar/data/798528/000119312511160323/dex102.htm>

investigated in the UK for fraud in the past, its treasure hunting deals are under investigation for questionable tax treatment and OMEX did not collect on this receivable either¹⁰⁴.

Neptune Minerals (John Morris CEO): In February 2011, OMEX entered an agreement to perform marine services at a 25% discount for Neptune Minerals (Neptune CEO is John Morris). Of note is that the 25% discount was paid to OMEX with more Neptune Minerals shares. Since Neptune clearly could not previously even pay their own bills, judging by OMEX's inability to collect on the money Dorado (the predecessor to Neptune) owed them, what do **you** think Neptune's stock is worth? Despite this complete loss on work provided just months prior, OMEX agreed to be paid in more Neptune stock. We believe Neptune Minerals shares are worthless:

- In June 2011, OMEX exchanged all of its Dorado shares for Neptune shares¹⁰⁵. OMEX also forgave \$2.5 million due from Dorado in exchange for Neptune Class B, non-voting stock and left the remaining \$6.9 million balance outstanding on the balance sheet¹⁰⁶. Finally, in OMEX's Q2 Form 10Q filing, management states that Neptune's \$7.2 million loss to date far exceeds the investment in Neptune.
  - It also appears that OMEX, as of their last 10Q filed 8/8/13, doesn't even have current Neptune financials despite being a large investor (quoted below). OMEX also estimates Neptune will continue to lose money¹⁰⁷, which means either OMEX will have to contribute more cash, be diluted, or provide more free services, none of which are positive for OMEX shareholders.
    - "The aforementioned loss carry forward is ***based on NMI's last audited financial statements as of June 30, 2012 and is the best financial information available to us currently.*** With NMI being involved in the capital intensive deep-sea mining and exploration industry as well as not having revenue, we believe **their cumulative loss for their fiscal year ended June 30, 2013 will be several million dollars.**"
- **Chatham Rock Phosphate (John Morris is a Very Large (19%+¹⁰⁸) Investor¹⁰⁹):** Chatham (trades in New Zealand, ticker "CRP") is yet another company John Morris is invested in with a business relationship with OMEX.

OMEX provided services in exchange for Chatham equity¹¹⁰. John Morris is a manager, along with Josh Adam (refer back to the color chart on page 33), of a Florida based company called "Subsea Investments" that is one of the largest investors in Chatham¹¹¹. Chatham is proposing a plan involving sucking phosphate nodules from the ocean floor in New Zealand. A recent article published in July 2013 by Business Day, Fairfax, NZ, reported Chatham attempted to raise up to

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¹⁰⁴ <http://www.thetimes.co.uk/tto/money/tax/article3561447.ece>

¹⁰⁵ <http://www.sec.gov/Archives/edgar/data/798528/000119312511160323/0001193125-11-160323-index.htm>

¹⁰⁶ <http://www.sec.gov/Archives/edgar/data/798528/000119312511160323/0001193125-11-160323-index.htm>

¹⁰⁷ <http://www.sec.gov/Archives/edgar/data/798528/000119312513326785/d542658d10q.htm>

¹⁰⁸ http://static.squarespace.com/static/51d24098e4b0d519d0c065f5/t/52200154e4b0552859b26a56/1377829204432/chatham_rock_phospat_e_iar_10_sep_2012.pdf

¹⁰⁹ <http://m.stuff.co.nz/business/industries/6576225/US-investors-to-back-offshore-mining-project>

¹¹⁰ <https://www.nzx.com/companies/CRP/announcements/217324>

¹¹¹ <https://www.nzx.com/companies/CRP/announcements/233180>

\$10.0 million from the sale of shares and options, but got only \$1.58m and that took 120 investors¹¹².

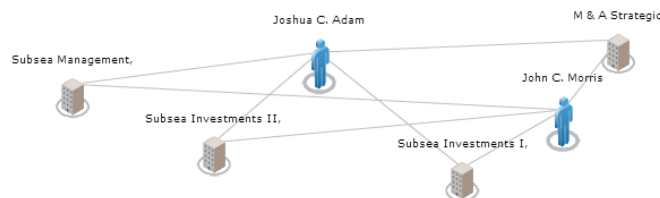
Business Day also reported in March 2012 some details of who is backing Chatham:

*“Subsea is a private equity fund backed by wealthy American investors, but the individuals in Subsea have not yet been identified by CRP. However, **Florida state documents show that Subsea Investments II is managed by John C Morris, who is also chairman and chief executive of Neptune Minerals** which has exploration tenements off New Zealand on the Kermadec Ridge to explore seafloor massive sulphides.¹¹³”*

John Morris Also Indirectly Connected to Oceanica through Mako/Hornet and Josh Adam

Josh Adam is the individual who signed for Mako and Hornet in recent Oceanica transactions¹¹⁴. OMEX appears to calculate their \$68.3m Oceanica investment value based on the price Josh Adam’s Mako bought Oceanica shares from OMEX at and OMEX simultaneously acquired \$1.25mm of stock from DNA Ltd, Inc. Given Josh Adam’s relationship with John Morris, we question this arm’s length transaction and resulting implied valuation OMEX uses in investor presentations.

Mr. Adam has worked closely with John Morris for years and Adam, who currently serves as SVP Finance of Neptune Minerals, was involved with John in “Subsea Investments II” as an investor in Chatham Rock Phosphate, and is on the board of many of Mr. Morris’s other businesses as well¹¹⁵.



“Mako Resources LLC” is a Delaware LLC (#5277978) formed 1/22/13 that is signed for by Josh Adam. Mako is managed by “Hornet Management LLC” a Delaware LLC (#5277975) formed 1/22/13 also signed for by Josh Adam. According to the Delaware records, both Mako and Hornet were formed just 5 days after OMEX’s newly disclosed opaque Bahamian subsidiary, whose reason for existence we do not understand.

Just like SMM the address for Mako and Hornet is listed is a residential address, in NYC: 300 Mercer St. #34m, New York, 10003

¹¹² <http://www.stuff.co.nz/business/industries/8959157/Phosphate-mining-bid-still-all-go>

¹¹³ <http://www.stuff.co.nz/business/industries/6576225/US-investors-to-back-offshore-mining-project>

¹¹⁴ <http://www.sec.gov/Archives/edgar/data/798528/000119312513103176/d442627dex1033.htm>

¹¹⁵ <http://www.corporationwiki.com/Florida/Saint-Petersburg/joshua-c-adam/67737469.aspx>

Section 4 – OCEANICA: the most questionable of OMEX underwriting mining businesses. Our research turns up SERIOUS questions

Subsection 1 – OMEX Financing Transactions and Cash Flows Confuse Investors

Given our questions and confusion regarding OMEX's new subsidiaries, Oceanica and related party transactions, the following series of financing transactions and other events leave us troubled:

- **January 7, 2013:** Despite reporting \$10 million cash on its balance sheet, OMEX announces they are deferring their monthly convertible debt payments. They defer scheduled payments in December, January and February in exchange for lowering the conversion price of convertible stock options (more shareholder dilution)¹¹⁶. If OMEX had \$10m in cash on the balance sheet why did they incur these additional costs to postpone debt payments?

At the same time, OMEX's long time CFO, Michael J. Holmes announces his intention to retire¹¹⁷. Mr. Holmes retirement announcement came just days before OMEX's 10-K was published, which we interpret as a negative¹¹⁸. We note this was the same 10-K where opaque international subsidiaries were first disclosed.

- **February 25, 2013:** OMEX raised \$10.0 million through a newly formed subsidiary¹¹⁹, "Oceanica Resources," that in turn owns a newly formed business called "Exploraciones Oceanicos," by selling \$10.0 million of Oceanica stock to "Mako Resources LLC" run by Josh Adam (Neptune's VP of Finance and close colleague of John Morris)¹²⁰.
- **March 5, 2013:** OMEX sold 5 million more shares to "Mako Resources LLC" for \$5.0 million¹²¹.
- **June 14, 2013:** OMEX raises a net \$8.75mm through a complex transaction including reducing the exercise price on 8 million options held by Mako Resources by 50% (\$2.50 to \$1.25)¹²².

Simultaneously, *OMEX's Bahamian subsidiary "Odyssey Marine Enterprises, Ltd." pays "DNA Ltd Inc." \$1.25 million in cash* in exchange for 1.0 million shares of Oceanica at \$1.25 per share and some voting rights¹²³. Is the timing of this cash payment a coincidence? We remind the reader that several people named on official Panamanian registration statements for DNA Ltd. have identical names to individuals involved in multiple alleged financial frauds. We discuss this in detail below and show DNA Ltd. Government documents.

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¹¹⁶ <http://www.sec.gov/Archives/edgar/data/798528/000119312513005554/0001193125-13-005554-index.htm>

¹¹⁷ <http://www.sec.gov/Archives/edgar/data/798528/000119312513005554/d463445d8k.htm>

¹¹⁸ <http://www.sec.gov/Archives/edgar/data/798528/000119312513005554/d463445d8k.htm>

¹¹⁹ <http://www.sec.gov/Archives/edgar/data/798528/000119312513072714/0001193125-13-072714-index.htm>

¹²⁰ <http://www.sec.gov/Archives/edgar/data/798528/000119312513072714/d493147d8k.htm>

¹²¹ <http://www.sec.gov/Archives/edgar/data/798528/000119312513090690/d495985d8k.htm>

¹²² <http://www.sec.gov/Archives/edgar/data/798528/000119312513258755/d554211dex991.htm>

¹²³ <http://www.sec.gov/Archives/edgar/data/798528/000119312513326785/d542658dex101.htm>

- **July 30, 2013** – OMEX closed a one year term loan July 30, 2013, that provided an additional \$10.0 million credit facility with Fifth Third Bank. Despite showing \$10.0 million cash on the balance sheet in Q1 and raising \$23.75 million from Oceanica, OMEX seems to have needed more cash based on their need for this loan. OMEX paid a \$50,000 origination fee at closing and was required to deposit \$500,000 into a restricted cash account to cover interest payments on the loan¹²⁴. If Fifth Third Bank saw OMEX had \$10m+ in cash why did they require this \$500k restricted deposit? If OMEX has cash on their balance sheet why pay these apparently unnecessary origination fees and interest expense?
  - The loan is secured by \$15.0 million worth of silver recovered from the SS Gairsoppa and the SS Mantola shipwreck projects¹²⁵. **OMEX took a full and immediate \$10 million draw against the facility** implying to us OMEX needed over \$33.75m in cash in the first 6 months of 2013 (\$23.75m from Oceanica, \$10m from this loan and ~\$10m they had on the balance sheet at the start of the year)¹²⁶.

Is there a \$10m+ hole in OMEX's balance sheet in regards to their cash balances? Why else would they have needed to immediately draw the entire \$10mm?

Subsection 2 – Why does OMEX need offshore subsidiaries as of 2013 when it has been in the undersea minerals business since 2009¹²⁷?

OMEX initially became involved in underwater mining in 2009 with their investment in “SMM Project LLC”¹²⁸. Despite supposed years of involvement in international underwater mining, OMEX's March 2012 filed 2011 10k listed zero offshore subsidiaries. OMEX disclosed in their 2013 10K filing five new subsidiaries: two in Panama, two in the Bahamas and one in Mexico

Exhibit 21.1

Subsidiaries of the Registrant

Subsidiary(1)	Jurisdiction of Incorporation or Organization
Odyssey Marine, Inc.	Florida
Odyssey Marine Services, Inc.	Nevada
OVH, Inc.	Nevada
Odyssey Retriever, Inc.	Nevada
Odyssey Marine Entertainment, Inc.	Nevada
Odyssey Marine Management, Ltd.	Bahamas
OceaniCa Marine Operations S.R.L.	Panama
Odyssey Marine Enterprises, Ltd.	Bahamas
Oceanica Resources, S. de R.L...(2)	Panama
Exploraciones Oceanicos, S. de R.L. De C.V...(3)	Mexico

¹²⁴ <http://www.sec.gov/Archives/edgar/data/798528/000119312513310282/d575217d8k.htm>

¹²⁵ <http://www.sec.gov/Archives/edgar/data/798528/000119312513310282/d575217d8k.htm>

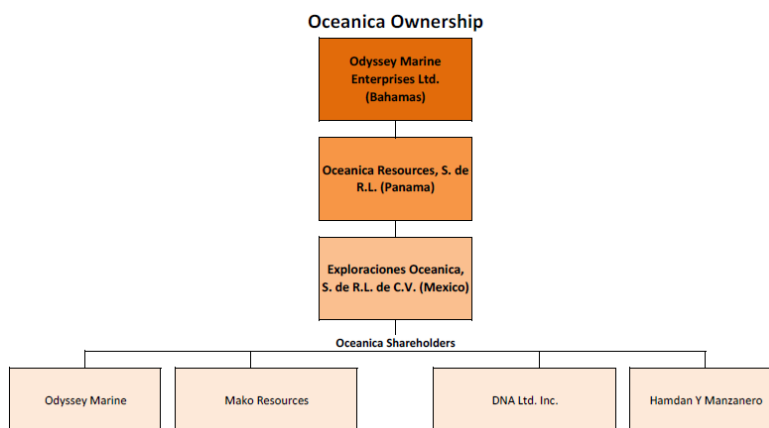
¹²⁶ <http://www.sec.gov/Archives/edgar/data/798528/000119312513310282/d575217d8k.htm>

¹²⁷ <http://shipwreck.net/pr193.php>

¹²⁸ <http://shipwreck.net/pr193.php>

Subsection 3 – Drill Down Into Oceanica in Great Detail – Subsidiary Government Documents

Below is our estimate of Oceanica’s Current Ownership Structure



OMEX management has represented the underwater mining investment “Oceanica” as highly valuable that we believe investors rely on for their assessment of value for OMEX. We would like to take a “deep dive” in to “Oceanica” to outline our questions about this investment, its partners and the valuation stated in OMEX investor presentations.

As you can see from the chart above, Oceanica’s corporate structure is complex. We will do our best to simplify this as we proceed with our analysis of Oceanica by moving through the organizational structure addressing each level subsidiary and each partner in detail.

Subsection 4 – OMEX’s Bahamian Subsidiaries - Commencing in 2013, OMEX has begun disclosing opaque offshore subsidiaries in the Bahamas.

Enron used numerous opaque corporate structures to hide their business dealings and secretly move cash.

Below is the local Bahamian government registration information for OMEX’s two disclosed Bahamian subsidiaries: Odyssey Enterprises Limited and Odyssey Marine Management.

Note the payment to “DNA Ltd Inc.” (the entity we believe was started by the same people involved in numerous alleged financial crimes) seems to us to have occurred from an OMEX Bahamian subsidiary account as well¹²⁹ – in other words, we believe OMEX has sent cash directly to “DNA Ltd Inc.” from OMEX’s newly disclosed offshore Bahamian account. It remains unclear to us why these Bahamian accounts are necessary.

Note the sections highlighted in yellow below.

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¹²⁹ <http://www.sec.gov/Archives/edgar/data/798528/000119312513326785/d542658dex101.htm>

Company Name: Odyssey Marine Management

Company Number: 166,669

Incorporation Date: 1/16/13

Registered Office: Lyford Corporate, P.O. Box N-7776

(Note that no directors listed, as this subsidiary is an “International Business Company” (IBC) that is not legally required to list director or shareholder information)

Company Name: Odyssey Enterprises Limited

Company Number: 29,334

Incorporation Date: 4/14/83

Registered Office: Harry B. Sands, P.O. Box N-7776, 50 Shirley St., Telephone # 242-322-2670,
Corporate Department: P.O. Box N-485

Fees: 1984-2000

President & Director: Gregory Stemm

VP & Director: Mark Gordon

Treasure: Jay Nudi

Lawyer Responsible: Mr. Mike Klonaris, Lyford Financial Center, P.O. Box 7776, Lyford Cay,
Telephone # 242-362-6006

We find these two entities, one apparently created in 1983 and the other using an opaque company structure, very troubling. We believe shareholders deserve to know why OMEX apparently created a second Bahamian subsidiary with an opaque corporate structure. Note that Mako and Hornet were created¹³⁰ just 5 days after the opaque “Odyssey Marine Management” appears to have been created.

Subsection 5 – Oceanica Mexican Documents: Questionable OMEX “Oceanica” Ownership per Government Documents?

Given our confusion over ownership claims and the fact Oceanica was apparently started by two people (listed below) with just Mex\$50,000, we question how Oceanica could be a private company with a valuation in excess of \$100 million?

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¹³⁰ <https://delecorp.delaware.gov/tin/GINameSearch.jsp> see file number 5277975 and 5277978

OMEX SEC filings state they sold “Mako llc” a \$10m stake in Oceanica on February 21, 2013¹³¹ when it looks to us like Mexico original “Oceanica” government documents (in part below) seem to show no evidence of OMEX on any Mexico Oceanica documents until May 2013?

POR INSTRUMENTO NO. 12016 VOLUMEN LIBRO 249

DE FECHA 21/05/2013

FORMALIZADO ANTE TITULAR

CLAVE DEL FEDATARIO 10001791 LIC. DAVID MALAGON KAMEL

ESTADO DISTRITO FEDERAL MUNICIPIO

CONSTA QUE A SOLICITUD DE ARELI MARLENE VERGARA VARGAS

COMO REPRESENTANTE(S) Y/O DELEGADO(S) DE LA ASAMBLEA DE SOCIOS DE LA SOCIEDAD DENOMINADA EXPLORACIONES OCEANICAS, S. DE RL. DE C.V.

SE FORMALIZO EL ACTA DE ASAMBLEA:

☒ GENERAL ☐ ESPECIAL

EN CASO DE ASAMBLEA GENERAL SE ESPECIFICA:

☒ ORDINARIA ☐ EXTRAORDINARIA ☐ AMBAS

DE FECHA 15/05/2013

Y SE TOMARON LOS SIGUIENTES ACUERDOS:

☒ REVOCACION Y/O RENUNCIA DE FUNCIONARIOS Y/O DE APODERADOS

APELLIDO PATERNO	APELLIDO MATERNO	NOMBRE	RFC / CURP	CARGO	REVOCACION TOTAL / RENUNCIA PARCIAL	FACULTADES QUE CONSERVA
DE NARVAEZ	MCALLISTER	DANIEL		GERENTE	RENUNCIA TOTAL	

☒ MODIFICACION DE FACULTADES DE FUNCIONARIOS Y/O APODERADOS

APELLIDO PATERNO	APELLIDO MATERNO	NOMBRE	RFC / CURP	CARGO	FACULTADES QUE CONSERVA
PAUL	STEMM	GREGORY		PRESIDENTE	PLEITOS Y COBRANZAS, ACTOS DE ADMINISTRACION, ACTOS DE DOMINIO, ACTOS DE ADMINISTRACION EN MATERIA
DE NARVAEZ	MCALLISTER	DANIEL		VOCAL	PLEITOS Y COBRANZAS, ACTOS DE ADMINISTRACION, ACTOS DE DOMINIO, ACTOS DE ADMINISTRACION EN MATERIA
NUDI	JAY	TESORERO		TESORERO	PLEITOS Y COBRANZAS, ACTOS DE ADMINISTRACION, ACTOS DE DOMINIO, ACTOS DE ADMINISTRACION EN MATERIA
GORDON	MARK	VICEPRESI		VICEPRESI	PLEITOS Y COBRANZAS, ACTOS DE ADMINISTRACION, ACTOS DE DOMINIO, ACTOS DE ADMINISTRACION EN MATERIA

☒ NOMBRAMIENTOS DE FUNCIONARIOS Y/O APODERADOS, Y SUS RESPECTIVAS FACULTADES

APELLIDO PATERNO	APELLIDO MATERNO	NOMBRE	RFC / CURP	CARGO	FACULTADES
PAUL	STEMM	GREGORY		APODERADO	1.- PARA PLEITOS Y COBRANZAS, 2.- PARA ADMINISTRAR BIENES, 3.- PARA ACTOS DE DOMINIO 4.- PARA SUSCRIBIR
GORDON	MARK			APODERADO	1.- PARA PLEITOS Y COBRANZAS, 2.- PARA ADMINISTRAR BIENES, 3.- PARA ACTOS DE DOMINIO 4.- PARA SUSCRIBIR

Apparently created in 2012 by these two people with just Mex\$ 50,000 initial capital.

SUSCRITAS COMO SIGUE:

Nombre / Razón Social Apellido Paterno / Denominación	Apellido Materno	Nacionalidad	CURP	RFC / Fecha Nac.	No. Acciones	Serie	Valor	Monto Total
Domicilio								
CARLOS	ARIDA	MIGUEL	MEXICANA	06/06/1924	1	A	10000	10000
CALLE HEGEL NÚMERO QUINIENTOS ONCE, PISO TRES, COLONIA CHAPULTEPEC MORALES, DELEGACIÓN MIGUEL HIDALGO, CÓDIGO POSTAL ONCE MIL QUINIENTOS SETENTA								
DANIEL	DE NARVÁEZ	MC ALLISTER	COLOMBIANA	09/12/1952	1	A	40000	40000
AVENIDA CARRERA SIETE NÚMERO OCHENTA Y OCHO GUION NOVENTA Y SEIS, DEPARTAMENTO SEISCIENTOS UNO, BOGOTÁ, COLOMBIA.								

Subsection 6 – OMEX Panama Subsidiary Government Documents – OMEX’s Questionable Oceanica Partners

Oceanica Resources S.R.L.

¹³¹ <http://www.sec.gov/Archives/edgar/data/798528/000119312513072714/d493147d8k.htm>

Following are the current Panamanian government registration documents for OMEX’s “Oceanica Resources S.R.L.”, the entity that seem to us owns “Oceanica” and lists OMEX’s partners. We believe this document raises **serious** questions requiring immediate answers from OMEX.

No. de Ficha:	2199	No. Documento:	2332002
Nombre de la Sociedad OCEANICA RESOURCES S. DE R.L.			
Tomo:	0	Folio:	0
Fecha de Registro:	15-02-2013	Status:	VIGENTE
No. de Escritura:	2147	Fecha Escritura:	04-02-2013
Notaria:	1	Provincia Notaria:	PANAMA
Duración:	PERPETUA	Domicilio:	PANAMA
Usuario:	YOQUI	Fecha Inclusión:	15-02-2013
Datos de la Tasa Unica			
Boleta:	1300024427	Fecha de Pago:	08-02-2013
Agente Residente: GUARDIA & CO.			
Datos del Diario			
Tomo:	2013	Asiento:	27660
Datos de Microfilmado			
Folio:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	100,000.00		
Capital			
EL CAPITAL SOCIAL DE LA SOCIEDAD ES CIENTO MIL DOLARES (US\$100,000.00) REPRESENTADOS EN DOSCIENTOS MILLONES (200,000,000) DE CUOTAS CON UN VALOR NOMINAL DE CERO PUNTO CERO CERO CINCO CENTESIMOS DE DOLAR (US\$0.005) CADA CUOTA.			
Representante Legal			
NO CONSTA			
Titulo del Dignatario		Nombre del Dignatario	
PRESIDENTE		GREGORY PAUL STEMM	
VICE-PRESIDENTE		MARK GORDON	
TESORERO		JAY ANTHONY NUDI	
SECRETARIO		MARK GORDON	
SOCIO		ODYSSEY MARINE MANAGEMENT LTD.	
SOCIO		HAMDAN Y MANZANERO, SAPI DE C.V.	
ADMINISTRADOR		GREGORY PAUL STEMM	
SOCIO		DNA LTD INC	

Our understanding from speaking with registration officials in Panama is that this document is current, meaningfully updated for all current information.

OMEX claims that Mako, which is managed by Hornet (Josh Adam is the signatory on the SEC Form D for both Mako and Hornet), is a large Oceanica shareholder. If Mako really is a large Oceanica shareholder, why isn't Mako or Hornet disclosed on this current document, or any public Oceanica government documents that we could find?

Why does OMEX list their IBC Bahamian subsidiary here as the partner again and not one of their US subsidiaries?

The \$10.0 million that OMEX claims to have invested in Oceanica is not disclosed in detail anywhere that we can find – what, how, and to whom was this money spent on?

On this Panamanian document we see two listed partners: “Hamdan y Manzanero” and “DNA Ltd inc”.

Subsection 7 – OMEX’s Oceanica Partner Hamdan y Manzanero - Why Has OMEX Partnered With A Mexican Lawyer in its Oceanica Mining Project?

OMEX’s second listed partner, “Hamdan y Manzanero, Sapi de C.V.” is a small law office in Mexico City founded and run by Fauzi Hamdan Amad, listing OMEX as a client¹³².

Why is OMEX partnering with Hamdan? How does this benefit shareholders? We looked into Hamdan and it’s unclear to us what relevance this has at all to OMEX shareholders or why Hamdan would make a good partner for Oceanica.

¹³² http://hamdan-manzanero.com/fauzi_en.html

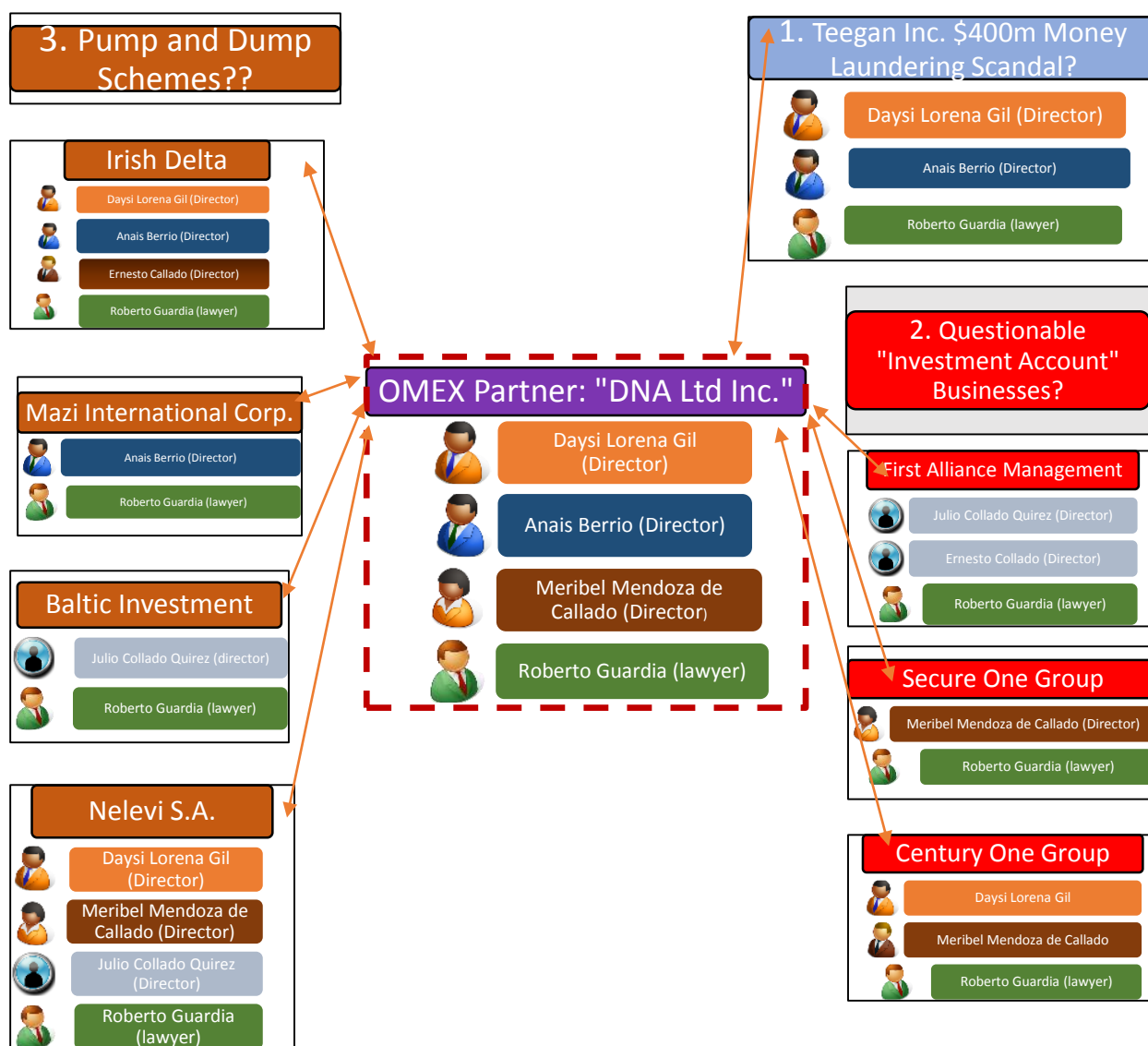
Mr. Hamdan had an extensive political career serving as federal congressman for two terms, three years as local congressman and Senator of the Mexican Republic for six years. Fauzi seems to us to be a politically well-connected man. Some may view this as a positive but we see more red flags. For example, one of the “founders” of Oceanica listed on Mexican government documents, “Carlos Arida Miguel”, was born 8/6/1924. We do not find any mining background for this 89 year old and believe it is strange an old man with no apparent mining experience would found a 268,238 hectare mining venture off the coast of Baja Mexico. In other unrelated companies we have researched, we have seen law firms frequently hold investments in their firm’s name for other individuals.

The other apparent Oceanica “founder” “Daniel de Narvaez McAllister (born 9/12/1952) from Columbia is an individual we plan to go into great detail later.

Section 5: OMEX's Oceanica Partner "DNA Ltd inc" - Who is DNA Ltd Inc and why are they partnered in Oceanica? Mapping out DNA Ltd Inc connections to alleged criminal activity.

Recall DNA is an investor in Oceanica (refer to the orange box chart of Oceanica investors on page 43 and OMEX's Panamanian subsidiary documents on page 46) and through Oceanica, DNA is a partner of OMEX.

OMEX's Key Oceanica Partner "DNA Ltd Inc." appears to have numerous alleged criminal connections. The connections are not easy to follow so we map them out below.



Down the Oceanica Rabbit Hole...

This part of the report is complex with lots of names and entities flying around. We ask for your patience and recommend printing out the graphic on the previous page to follow along as you read. We have color coded this organizational chart to make it easier to follow along.

Recall from the orange box chart on page 43 that DNA Ltd. is an investor / partner in Oceanica, and therefore a direct partner of OMEX. As we described in a prior section of the report, there is a good case to be made that OMEX should be consolidating Oceanica on its balance sheet, and in fact this is a key pillar of the bull case: OMEX effectively controls Oceanica.

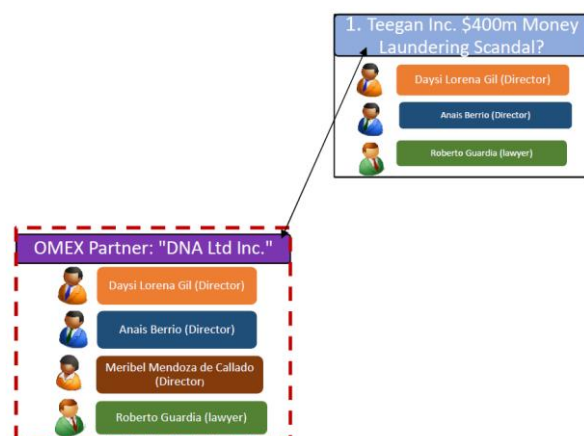
So who is DNA Ltd.? We tried to answer this question and were shocked at what we found:

DNA Ltd. is a Panamanian-registered entity. **The names of the people on the official DNA Ltd. filing are the same names as people alleged to be involved in numerous financial and stock pump and dump frauds.**

We will now walk through boxes 1, 2 and 3 from the DNA connection chart above, providing detail and source filings for each of them.

Subsection 1 – OMEX Partners DNA Ltd Inc Involved in \$400m Money Laundering Scandal “Teegan Inc”?

This section refers to box 1 in the graphic on page 48, a portion of which is reproduced below:



Teegan Inc. is an alleged \$400.0 million international money laundering scandal involving the participation of Panamanians listed as Anais Berrio, Daisy Lorena Gil and formed by Panamanian lawyer Roberto Guardia Rabell^{133, 134}. **These same names all show up on OMEX’s partner, DNA ltd inc’s Panama government registration documents.** While the investigation is ongoing, initial allegations are that a well-known Argentinian government construction tycoon Lazaro Baez used his son, Martin Baez, to launder \$50-400 million through a network of international companies including a Panamanian company named “Teegan Inc.”¹³⁵.

¹³³ <http://www.argentinaindependent.com/currentaffairs/an-argentine-scandal-the-money-laundering-investigation/>

¹³⁴ <http://www.offshorebanksdirectory.com/offshore-banks-news/swiss-district-attorneys-office-opens-proceedings-against-money-laundering.html>

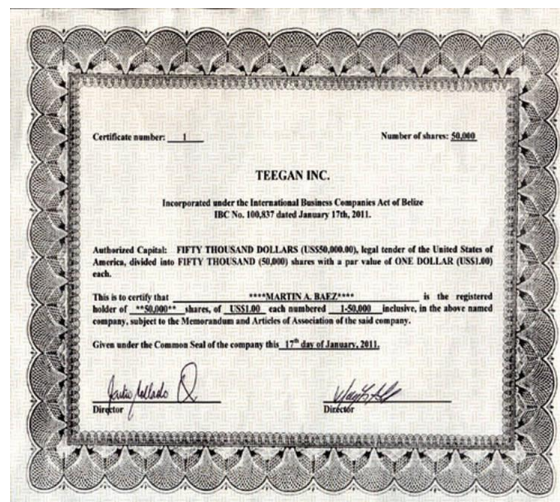
¹³⁵ <http://www.offshorebanksdirectory.com/offshore-banks-news/swiss-district-attorneys-office-opens-proceedings-against-money-laundering.html>

The Teegan story is complex and reads like a novel including private jets carrying duffle bags full of cash to hidden vaults, rigged public works project bids and a former president.

Police Gathering Teegan Inc. Documents



In addition to the Panama government documents we also have, from Belize, a copy of the original Belize company documents showing Martin Baez's name along with the signature of both a Julio Collado Quiroz (Roberto Guardia Rabell's partner) and a Daysi Lorena Gil. The personal signatures of a Daysi Gil and a Julio Collado appear on this Teegan document.



All of these individuals admitted involvement when they resigned from Teegan after the news became an international scandal (see supporting resignation documents in appendix *2).

Cedula numbers in Panama are akin to a US Social Security number. We obtained the numbers from Teegan documents for a Roberto Guardia Rabell's (8-243-426), Julio Collado Quiroz - supposedly Roberto Guardia Rabell's partner – (8-270-426), Daysi Lorena Gil (8-380-397) and Anais Berrio (8-797-2464)¹³⁶.

Following is a picture of the current registration for “Teegan Inc” on file in Panama. Before they resigned¹³⁷, the previously listed directors of this company included a Daysi Lorena Gil, an Anais Berrio and an Eduardo Perez. Roberto Guardia Rabell's name appears in yellow at the bottom.

¹³⁶ Per Teegan Inc documents

¹³⁷ Per ohuiggin scraped panama database

No. de Ficha:	640279	No. Documento:	1463617
Nombre de la Sociedad:			
TEEGAN INC.			
Tomo:	0	Folio:	0
Fecha de Registro:	07-11-2008	Status:	VIGENTE
No. de Escritura:	16651	Fecha de Escritura:	06-11-2008
Notario:	42	Notaria:	NOVENA DEL CIRCUITO
Provincia Notaria:	PANAMA		
Duración:	PERPETUA	Domicilio:	PANAMA
Status de la Prenda:		(DEF-DEFINITIVA, PRE-PRELIMINAR)	
Datos de 1a. Tasa Única			
Boleta:	2000593	Fecha de Pago:	06-11-2008
Agente Residente:	RENUNCIO		
Datos del Diario			
Tomo:	2008	Asiento:	224975
Datos de Microfinanciación			
Rollo:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital			
EL CAPITAL SOCIAL SERA DE DIEZ MIL DOLARES (US\$10,000.00), MONEDA DE CURSO LEGAL DE LOS ESTADOS UNIDOS DE AMERICA, DIVIDIDO EN CIENTO (100) ACCIONES COMUNES DE CIENTO DOLARES (US\$100.00) CADA UNA, NOMINATIVAS O AL PORTADOR.			
Representante Legal			
LA REPRESENTACION LEGAL DE LA SOCIEDAD LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Título del Dignatario		Nombre del Dignatario	
PRESIDENTE		RENUNCIO	
TESORERO		RENUNCIO	
SECRETARIO		RENUNCIO	
Nombre de los Directores			
RENUNCIO			
RENUNCIO			
RENUNCIO			
Nombre de los Suscriptores			
ROBERTO GUARDIA BABEL			
JULIO COLLADO QUIROGA			

We then compare the Teegan registration filing above with the DNA Ltd. filing below.

No. de Ficha:	794006	No. Documento:	2327509
Nombre de la Sociedad:			
DNA LTD INC.			
Tomo:	0	Folio:	0
Fecha de Registro:	04-02-2013	Status:	VIGENTE
No. de Escritura:	2019	Fecha de Escritura:	31-01-2013
Notario:	1	Notaria:	PRIMERA DEL CIRCUITO
Provincia Notaria:	PANAMA		
Duración:	PERPETUA	Domicilio:	PANAMA
Status de la Prenda:		(DEF-DEFINITIVA, PRE-PRELIMINAR)	
Datos de 1a. Tasa Única			
Boleta:	1300019702	Fecha de Pago:	02-02-2013
Agente Residente:	GUARDIA & CO.		
Datos del Diario			
Tomo:	2013	Asiento:	22104
Datos de Microfinanciación			
Rollo:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital			
EL CAPITAL SOCIAL SERA DE DIEZ MIL DOLARES AMERICANOS DIVIDIDO EN CIENTO ACCIONES COMUNES DE CIENTO DOLARES CADA UNA, NOMINATIVAS O AL PORTADOR.			
Representante Legal			
LA REPRESENTACION LEGAL DE LA SOCIEDAD LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Título del Dignatario		Nombre del Dignatario	
PRESIDENTE		DAYSI LORENA GIL	
TESORERO		ANAI BERRIO	
SECRETARIO		MARIBEL MENDOZA DE COLLADO	
Nombre de los Directores			
DAYSI LORENA GIL			
MARIBEL MENDOZA DE COLLADO			
ANAI BERRIO			
Nombre de los Suscriptores			
ROBERTO GUARDIA			
FARAH CEDENO GOMEZ			

Is it a coincidence that many of the names listed here also appeared on Teegan documents?

Subsection 2 - Possible explanations for connection between OMEX and DNA Ltd Inc. principals?

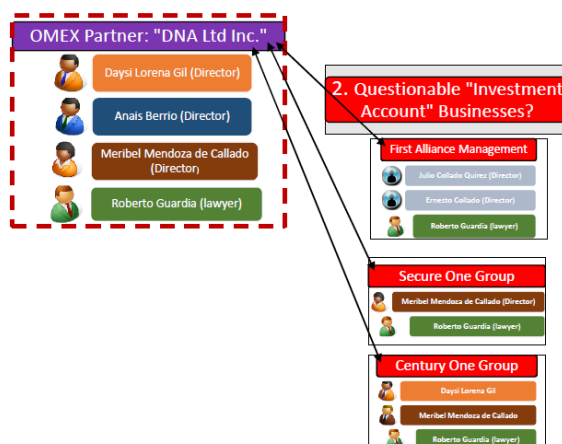
Possibility 1: This is all an amazing coincidence of different identically named Panamanians all repeatedly working together with other identically named Panamanians, all working with the same Panamanian lawyers in multiple different shady schemes across the globe. This seems unlikely to us and it remains unclear why OMEX would be working with any Panamanian entities in the first place.

Possibility 2: The Anais and Guardia crews (described in detail below) are working with OMEX and OMEX is knowingly partnering with and paying cash to individuals with criminal connections.

Possibility 3: The Anais and Guardia crew appears to be merely a front for an unnamed international group who consider using Anais and Guardia better than exposing their own identities. Try to imagine the kind of people who would look worse on paper than the people listed as OMEX’s partners on “DNA Ltd inc” and then realize OMEX just paid them \$1.25 million in cash according to official SEC documents.

Subsection 3 – DNA Ltd Inc. Directors Tied to Apparent International Alleged Theft Schemes “First Alliance”, “Secure Group” and “Century One”?

Here we reproduce another piece of the DNA organizational chart:



Roberto Guardia Rabell’s name appears on official government documents for First Alliance Management, Secure One Group and Century One Group as well. Recall that someone with an identical name is listed on DNA Ltd. documents above as attorney.

The individuals involved in First Alliance, Secure One Group and Century One Group organized a ring of international businesses banned in Canada¹³⁸ and found by Panamanian authorities to be without securities licenses¹³⁹. According to public complaints¹⁴⁰, these companies allegedly set up offshore accounts and duped investors into thinking they ran a tax free offshore investment business. Allegedly, once unsuspecting investors transferred money to the firm, supposedly for their investment accounts, it was not accounted for or returned¹⁴¹. Our supporting evidence is below.

First Alliance Management Supporting Evidence

Canada banned a “First Alliance Management” from trading securities in Canada¹⁴² and then later made that ban permanent¹⁴³. Canada regulators also stated First Alliance Management has ties to another

¹³⁸ See Canadian documents below

¹³⁹ See Republic of Panama Securities Commission documents below

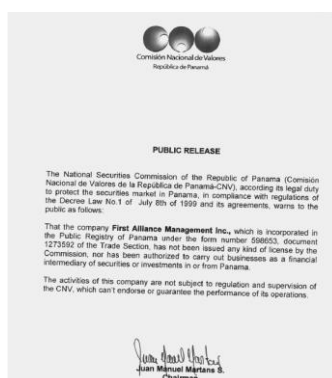
¹⁴⁰ See three internet forum links below

¹⁴¹ <http://www.elitetrader.com/vb/showthread.php?s=4cb3619cb16785773e44a6b1e0a6d8cb&threadid=129402&perpage=6&pagenumber=5>

¹⁴² <http://www.gnb.ca/cnb/news/sc/2008e1588sc.htm>

¹⁴³ <http://www.gnb.ca/cnb/news/sc/2008e1639sc.htm>

Panamanian company named “Secure One Group”¹⁴⁴. National Securities Commission of Panama also found “First Alliance” shown above has no financial or securities licenses in Panama.



The following are Panamanian government registration documents for “First Alliance Management”. The original listed directors, before they all resigned, were **Julio Collado Quiroz**, Melitza Barrera, and an **Ernesto Collado** (allegedly Maribel Mendoza de Collado’s husband?) with “**Guardia & Guardia**” listed as the law firm.

No. de Ficha:	596653	No. Documento:	1273592
Nombre de la Sociedad:			
FIRST ALLIANCE MANAGEMENT INC.			
Tomo:	0	Folio:	0
Fecha de Registro:	11-01-2008	Status:	VIGENTE
No. de Escritura:	313	Fecha de Escritura:	09-01-2008
Notaría:	42	NOTARIA NOVENA DEL CIRCUITO	
Provincia Notaria:	PANAMA		
Duración:	PERPETUA	Domicilio:	PANAMA
Status de la Prenda:		(DEF-DEFINITIVA, PRE-PRELIMINAR)	
Boleta:	1225171	Status de las Fichas:	
Agente Residente:	RENUNCIA	Fecha de Pago:	09-01-2008
Datos del Diario			
Tomo:	2008	Asiento:	4565
Datos de Microinformática			
Rollo:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital			
EL CAPITAL SOCIAL SERA DE 10,000.00 DOLARES AMERICANOS, DIVIDIDO EN 100 ACCIONES COMUNES DE 100.00 DOLARES CADA UNA, NOMINATIVAS O AL PORTADOR			
Representante Legal			
RENUNCIA		Nombre del Dignatario	
TITULO DEL DIGNATARIO	RENUNCIA		
PRESIDENTE	RENUNCIA		
TESORERO	RENUNCIA		
SECRETARIO	RENUNCIA		
Nombre de los Directores			
RENUNCIA			
RENUNCIA			
RENUNCIA			
Nombre de los Suscriptores			
ROBERTO GUARDIA SABEL			
JULIO COLLADO QUIROZ			

Secure One Group Evidence

Canada regulators also banned Secure One Group from trading in Canada and find it operating without required securities licenses¹⁴⁵. Panama also found “Secure One Group” has no securities licenses in Panama.

¹⁴⁴ http://www.nbsc-cvmnb.ca/nbsc/uploaded_files/2008%2010%2021%20First%20Alliance%20SoA.pdf

¹⁴⁵ <http://www.gov.sk.ca/news?newsId=54420b6d-09b7-4597-9752-666b62f1ecbb>



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The web page declares that this company has its corporate office in Edificio Neptuno, Local No. 7, Vía Ricardo J. Alfaro, Tumba Muerto, Panama City, Republic of Panama. Telephone: +1-646-415-881; and others international telephone numbers. Email announced are campanas@secureoneinvestment.com, info@secureoneinvestment.com, research@secureoneinvestment.com, clientservices@secureoneinvestment.com

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We found many publicly¹⁴⁶ posted complaints¹⁴⁷¹⁴⁸ about these companies from people who claim to have been deceived and had their investments stolen and encourage you to read the referenced discussions.

Two individuals in Panama named **Anais Berrio** and **Roberto Guardia** also seem to have sent out spam emails¹⁴⁹.

Official Panamanian government registration documents for “Secure One Group” list Panamanians **Roberto Guardia Rabell**, **Maribel Mendoza de Collado** and **Julio Collado Quiroz**.

No. de Ficha:	595492	No. Documento:	1260947
Nombre de la Sociedad: SECURE ONE GROUP INC.			
Tomo:	0	Folio:	0
Fecha de Registro:	13-12-2007	Status:	DISUELTA
No. de Escritura:	21416	Fecha de Escritura:	12-12-2007
Notaria:	42	NOTARIA NOVENA DEL CIRCUITO	
Provincia Notarial:	PANAMA		
Duración:	PERPETUA	Domicilio:	PANAMA
Status de la Penda:	(DEF-DEFINITIVA, PRE-DEFINITIVA)		
Boleta:	1199018	Fecha de Pago:	12-12-2007
Agente Residente:	GUARDIA & GUARDIA		
Tomo:	2007	Asiento:	22833
Rollos:	0	Imagen:	0
Monedas:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital:	EL CAPITAL SOCIAL SERA DE 10,000.00 DOLARES AMERICANOS, DIVIDIDO EN 100 ACCIONES COMUNES DE 100.00 DOLARES CADA UNA, NOMINATIVAS O AL PORTADOR.		
Representante Legal			
LA REPRESENTACIÓN LEGAL DE LA SOCIEDAD LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Título del Dignatario		Nombre del Dignatario	
PRESIDENTE		JULIO COLLADO QUIROZ	
TESORERO		MARIBEL MENDOZA DE COLLADO	
SECRETARIO		MELITZA BARRERA	
Nombre de los Directores			
JULIO COLLADO QUIROZ			
MELITZA BARRERA			
MARIBEL MENDOZA DE COLLADO			
Nombre de los Socios			
ROBERTO GUARDIA RABELL			
JULIO COLLADO QUIROZ			
Fotografía, Firma, Fecado, Redomicilio Provisional o Definitivo, Transformación			
Rollos:	0	Imagen:	0
Fecha-Micro:	19-02-2008		
Tomo:	2008	Asiento:	24719
Número:	1843	Fecha:	08-02-2008
Notaria:	42	Provincia:	PANAMA
Typo Acta:	DISUELTA		
QUE DICHA SOCIEDAD HA SIDO DISUELTA MEDIANTE ESCRITURA PUBLICA NUMERO 1843 DE 08 DE FEBRERO DE 2008 DE LA NOTARIA NOVENA DEL CIRCUITO DE PANAMA SEGUN DOCUMENTO 1264989, FICHA 595492 DE LA SECCION DE MERCANTIL DESDE EL 19 DE FEBRERO DE 2008.			

Century One Group

¹⁴⁶ <http://www.elitetrader.com/vb/showthread.php?s=&threadid=129402&perpage=6&pagenumber=8>

¹⁴⁷ <http://www.scam.com/showthread.php?t=41944>

¹⁴⁸ <http://www.fraudwatchers.org/forums/showthread.php?t=34940>

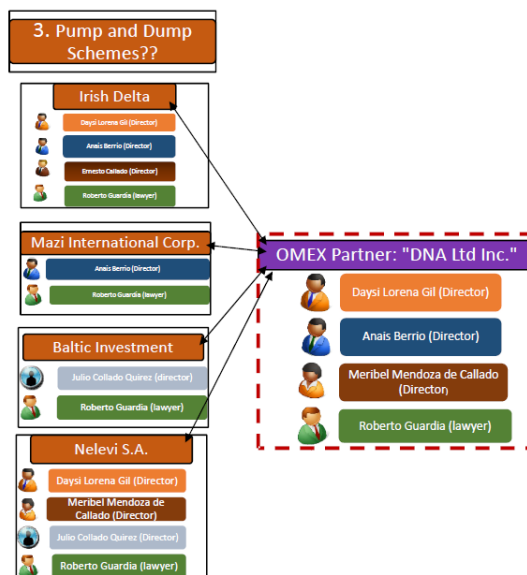
¹⁴⁹ http://www.proiecthoneyapot.org/ip_200.46.253.77

Century one group was also mentioned in allegations against the people involved in “First Alliance” and “Secure Group”. Panamanian government documents for “Century One Group” also list a **Roberto Guardia Rabell**, **Daysi Lorena Gil**, **Maribel Mendoza de Collado**, and **Julio Collado Quiroz**.

No. de Ficha:	636855	No. Documento:	1444887
Nombre de la Sociedad:			
CENTURY ONE GROUP INC.			
Tomo:	0	Folio:	0
Fecha de Registro:	10-10-2008	Status:	VIGENTE
No. de Escritura:	13206	Fecha de Escritura:	07-10-2008
Notaria:	42	NOTARIA NOVENA DEL CIRCUITO	
Provincia Notarial:	PANAMA		
Duración:	PERPETUA	Domicilio:	PANAMA
Status de la Prenda:	(DEF-DEFINITIVA, PRE-PRELIMINAR)		
Datos de la 1ra. Tasa Única			
Boleta:	2036238	Fecha de Pago:	09-10-2008
Agente Residente:	GUARDIA & GUARDIA		
Datos del Diario			
Tomo:	2008	Asiento:	203603
Datos de Microfilmación			
Rollo:	0	Imagen:	
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital:	EL CAPITAL SOCIAL SERA DE 10,000.00 DOLARES AMERICANOS, DIVIDIDO EN 100 ACCIONES COMUNES DE 100.00 DOLARES CADA UNA, NOMINATIVAS O AL PORTADOR.		
Representante Legal			
LA REPRESENTACIÓN LEGAL DE LA SOCIEDAD LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Título del Dignatario		Nombre del Dignatario	
PRESIDENTE		DAYSI LORENA GIL	
TESORERO		EDUARDO PEREZ PINZON	
SECRETARIO		MARIBEL MENDOZA DE COLLADO	
Nombre de los Directores			
DAYSI LORENA GIL			
MARIBEL MENDOZA DE COLLADO			
EDUARDO PEREZ PINZON			
Nombre de los Suscriptores			
ROBERTO GUARDIA RABELL			
JULIO COLLADO QUIROZ			

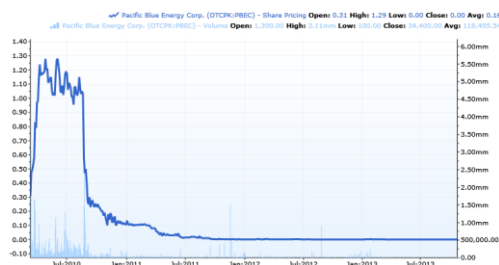
Subsection 4 – DNA Ltd Inc Directors Involved with Criminals Currently Wanted for Pump and Dump Frauds TSHO and PBEC?

A portion of the organizational chart from page 48 is reproduced here:



While researching DNA ltd inc, we found a SEC lawsuit alleging two publicly traded US companies TSHO “TradeShow”¹⁵⁰ and PBEC “Pacific Blue”¹⁵¹ were “international pump-and-dump schemes”¹⁵²¹⁵³ allegedly costing investors millions of dollars in losses and were halted¹⁵⁴.

PBEC Stock Price Chart



TSHO Stock Price Chart



The SEC lawsuit goes on to name multiple Panamanian companies allegedly used to funnel money anonymously¹⁵⁵.

The SEC lists Panamanian companies “Irish Delta”, “Mazi International”, “Baltic Investment”, and “Nelevi S.A” as all having been involved and **all appear to have ties to a group of Panamanians with identical names as those listed on DNA**. The Panamanian company information follows and we highlighted identically named individuals as appear on DNA’s registration documents:

Irish Delta,

¹⁵⁰ <http://www.sec.gov/litigation/complaints/2013/comp-pr2013-39.pdf>

¹⁵¹ <http://www.sec.gov/litigation/complaints/2013/comp-pr2013-39.pdf>

¹⁵² http://thestreetsweeper.org/undersurveillance/Tradeshow_Skymark_Kicked_off_the_Stage

¹⁵³ <http://www.sec.gov/litigation/complaints/2013/comp-pr2013-39.pdf>

¹⁵⁴ <http://cto-iov.csa-acvm.ca/ArticleFile.asp?Instance=101&ID=28D1CD7DB5B44C6C9CC8B8EDC6BC11E9>

¹⁵⁵ <http://www.sec.gov/litigation/complaints/2013/comp-pr2013-39.pdf>

No. de Ficha:	634368	No. Documento:	1432701
Nombre de la Sociedad:			
IRISH DELTA INC.			
Tomo:	0	Folio:	0
Fecha de Registro:	25-09-2008	Status:	VIGENTE
No. de Escritura:	14482	Fecha de Escritura:	24-09-2008
Notaria:	42	NOTARIA NOVENA DEL CIRCUITO	
Provincia Notarial:	PANAMA	Domicilio:	PANAMA
Duración:	PERPETUA	(DEF-DEFINITIVA, PRE-PRELIMINAR)	
Status de la Prenda:	Boleta de la Tasa Unica		
Boleta:	2036204	Fecha de Pago:	24-09-2008
Agente Residente:	GUARDIA A GUARDIA		
Datos del Diario			
Tomo:	2008	Asiento:	189848
Datos de Microinformación			
Rollo:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital			
EL CAPITAL SOCIAL SERA DE DIEZ MIL DOLARES, MONEDA DE CURSO LEGAL DE LOS ESTADOS UNIDOS DE AMERICA, DIVIDIDO EN CIENTO ACCIONES COMUNES DE CIENTO DOLARES CADA UNA, NOMINATIVAS O AL PORTADOR.			
Representante Legal			
LA REPRESENTACION LEGAL DE LA SOCIEDAD LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Titulo del Dignatario		Nombre del Dignatario	
PRESIDENTE		DAVEY LORENA GIL	
TESORERO		ERNESTO COLLADO	
SECRETARIO		ANAS BERRIO	
Nombre de los Directores			
DAVEY LORENA GIL			
ANAS BERRIO			
ERNESTO COLLADO			
Nombre de los Socios/Partes			
ROBERTO GUARDIA RABELE			
JULIO COLLADO QUIROZ			

Named Panamanian companies “Mazi International” and “Baltic Investment” were both allegedly registered account holders at “Gibraltar”¹⁵⁶, a broker/dealer in the Bahamas that held shares of Pacific Blue (PBEC) and Tradeshow (TSHO) for benefit of people allegedly orchestrating the “pump-and-dump” scheme.

Mazi international Corp

No. de Ficha:	634366	No. Documento:	1432408
Nombre de la Sociedad:			
MAZI INTERNATIONAL CORP.			
Tomo:	0	Folio:	0
Fecha de Registro:	25-09-2008	Status:	VIGENTE
No. de Escritura:	14481	Fecha de Escritura:	24-09-2008
Notaria:	42	NOTARIA NOVENA DEL CIRCUITO	
Provincia Notarial:	PANAMA	Domicilio:	PANAMA
Duración:	PERPETUA	(DEF-DEFINITIVA, PRE-PRELIMINAR)	
Status de la Prenda:	Boleta de la Tasa Unica		
Boleta:	2036203	Fecha de Pago:	24-09-2008
Agente Residente:	GUARDIA A GUARDIA		
Datos del Diario			
Tomo:	2008	Asiento:	189762
Datos de Microinformación			
Rollo:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital:	EL CAPITAL SOCIAL SERA DE DIEZ MIL 10,000.00 DOLARES, DIVIDIDO EN CIENTO 100 ACCIONES COMUNES DE CIENTO 100.00 DOLARES CADA UNA, NOMINATIVA O AL PORTADOR.		
Representante Legal			
LA REPRESENTACION LEGAL LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Titulo del Dignatario		Nombre del Dignatario	
PRESIDENTE		ANAS BERRIO	
TESORERO		EDUARDO PEREZ PINZON	
SECRETARIO		MARISOL RODRIGUEZ	
Nombre de los Directores			
ANAS BERRIO			
EDUARDO PEREZ PINZON			
MARISOL RODRIGUEZ			
Nombre de los Socios/Partes			
ROBERTO GUARDIA RABELE			
JULIO COLLADO QUIROZ			

NOTE: Displayed above is the current information on file with Panama Corporate Registry. The previously version of this paperwork shows that historically, the listed directors of this company were Davey Lorena Gil, Anas Berrio, and Manfred Mendez De Cullado.

Baltic Investment Ltd

¹⁵⁶ <http://www.tribune242.com/news/2013/jul/15/broker-sec-cant-make-fraud-case-over-11m-scheme/>

No. de Ficha:	634299	No. Documento:	1432408
Nombre de la Sociedad: BALTIC INVESTMENTS LTD. CORP.			
Tomos:	0	Folios:	0
Fecha de Registro:	23-09-2008	Status:	VIGENTE
No. de Escritura:	14399	Fecha de Escritura:	24-09-2008
Notaria:	42	Notaria:	NOTARIA NOVENA DEL CIRCUITO
Provincia Notarial:	PANAMA	Domicilio:	PANAMA
Duración:	PERPETUA	Status de la Prenda:	(DEF-DEFINITIVA, PRE-PRELIMINAR)
Boleta: 2036201			
Agente Residente:	GUARDIA A GUARDIA	Fecha de Pago:	24-09-2008
Datos del Diario			
Tomos:	2008	Asientos:	189776
Datos de Microinformación			
Folios:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital			
EL CAPITAL SOCIAL SERA DE DE DIEZ MIL DOLARES (US\$10,000.00), MONEDA DE CURSO LEGAL DE LOS ESTADOS UNIDOS DE AMERICA, DIVIDIDO EN CIENTO (100) ACCIONES COMUNES DE CIENTO DOLARES (US\$100.00) CADA UNA, NOMINATIVA O AL PORTADOR.			
Representante Legal			
LA REPRESENTACION LEGAL DE LA SOCIEDAD LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Título del Dignatario		Nombre del Dignatario	
PRESIDENTE		JULIO COLLADO QUIROZ	
TESORERO		KATHERINE SUCRE	
SECRETARIO		MELITZA BARRERA DE GRACIA	
Nombre de los Directores			
JULIO COLLADO QUIROZ			
MELITZA BARRERA DE GRACIA			
KATHERINE SUCRE			
Nombre de los Suscriptores			
ROBERTO GUARDIA RABELL			
JULIO COLLADO QUIROZ			
Datos del Oficio			

Nelevi S.A.

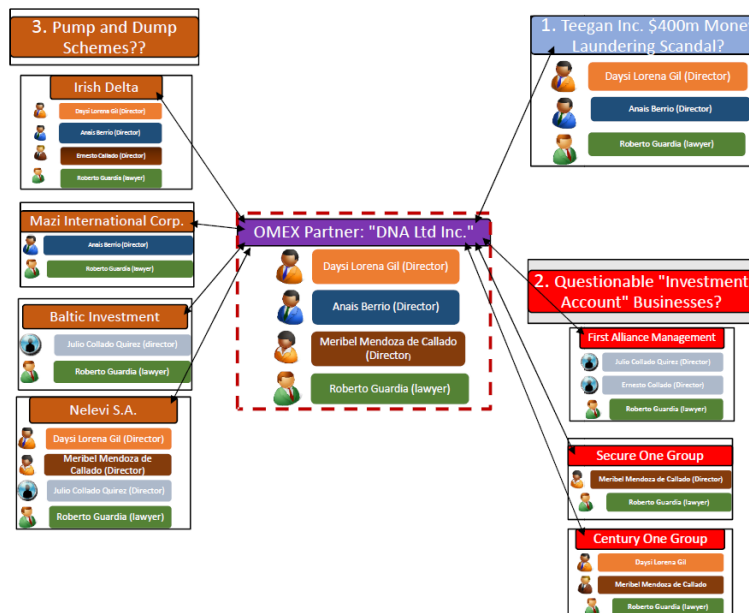
No. de Ficha:	502431	No. Documento:	834176
Nombre de la Sociedad: NELEVI, S.A.			
Tomos:	0	Folios:	0
Fecha de Registro:	26-08-2005	Status:	VIGENTE
No. de Escritura:	5871	Fecha de Escritura:	25-08-2005
Notaria:	42	Notaria:	NOTARIA NOVENA DEL CIRCUITO
Provincia Notarial:	PANAMA	Domicilio:	PANAMA
Duración:	PERPETUA	Status de la Prenda:	(DEF-DEFINITIVA, PRE-PRELIMINAR)
Boleta: 650319			
Agente Residente:	ROBERTO GUARDIA RABELL	Fecha de Pago:	26-08-2005
Datos del Diario			
Tomos:	2005	Asientos:	134481
Datos de Microinformación			
Folios:	0	Imagen:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital			
EL CAPITAL SOCIAL SERA DE US\$10,000.00 DOLARES, MONEDA DE CURSO LEGAL DE LOS ESTADOS UNIDOS DE AMERICA, DIVIDIDO EN 100 ACCIONES COMUNES DE US\$100.00 DOLARES CADA UNA, NOMINATIVAS O AL PORTADOR.			
Representante Legal			
LA REPRESENTACION LEGAL DE LA SOCIEDAD LA TENDRA EL PRESIDENTE Y DURANTE SU AUSENCIA LA TENDRA EL SECRETARIO O LA PERSONA QUE LA JUNTA DIRECTIVA DESIGNA A TALES EFECTOS.			
Título del Dignatario		Nombre del Dignatario	
PRESIDENTE		MARITZA GARNZ	
TESORERO		MARIBEL MENDOZA DE COLLADO	
SECRETARIO		AYNE OSALDIA	
Nombre de los Directores			
MARITZA GARNZ			
MARIBEL MENDOZA DE COLLADO			
AYNE OSALDIA			
Nombre de los Suscriptores			
ROBERTO GUARDIA RABELL			
JAVIER ORSALAC ESCOBAR			

Original version of Nelevi S.A documents show the previously listed directors of this company were **Julio Collado Quiroz**, **Daysi Lorena Gil** and **Maribel Mendoza De Collado**

Question to OMEX Investors and National Governments: Is DNA Who YOU Want to Partner With and Have YOUR Cash Paid to?

OMEX recently paid DNA Ltd inc \$1.25 million in cash!¹⁵⁷

¹⁵⁷ <http://www.sec.gov/Archives/edgar/data/798528/000119312513326785/d542658dex101.htm>



Subsection 5: Undersea mining is not yet a proven concept, if it ultimately proves feasible, who do you think will be the leaders of tomorrow?

George P. Mitchell, the late and brilliant businessman, had participated in the development of 10,000 oil wells during his expansive career. Big oil and gas companies were long interested in shale gas but could not make the breakthrough in fracking to get the gas to flow. Even with his vast experience and consistent history of successes, Mr. Mitchell spent ten stubborn years cracking the problem. Everyone, he said, told him he was just wasting his time and money.

If you gaze into the distant future and observe that undersea mining is at some point an economic pursuit, who do you think will be the pioneers of this, as yet unproven technique? Will it be stubborn, persistent men with a string of success and overcoming challenges and solving problems like George P. Mitchell? Or will the leaders of tomorrow be stock promoters with a track record like those involved with OMEX?

Chapter 4 – Conclusion

Section 1 – Is OMEX's Auditor Protecting Shareholders?

What about OMEX's auditor? According to Capital IQ, OMEX has had only one auditor since going public via reverse merger, Ferlita, Walsh & Gonzalez P.A. Who is FWG? FWG is a tiny Florida firm with only one other public company client and whose primary business appears to us to be estate planning, not public company audit work. FWG has also been investigated numerous times by the Public Company Accounting Oversight Board (the organization that audits auditors)^{158, 159, 160}.

¹⁵⁸ http://pcaobus.org/Inspections/Reports/Documents/2012_Ferlita_Walsh_Gonzalez_PA.pdf

¹⁵⁹ http://pcaobus.org/Inspections/Reports/Documents/2009_Ferlita_Walsh_Gonzalez.pdf

¹⁶⁰ http://pcaobus.org/Inspections/Reports/Documents/2005_Ferlita_Walsh_Gonzalez.pdf

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Section 2 – We Believe Shareholders Should Demand Immediate Transparency and Answers from OMEX.

This report brings up serious questions for OMEX that are critical for OMEX shareholders to understand. We believe the only fair outcome for OMEX shareholders is for Greg Stemm and OMEX to host an investor conference call with an open Q&A to all investors to answer these questions once and for all. Meson Capital management is happy to assist and support shareholders in whatever way is necessary and look forward to seeing OMEX shareholders have the transparency they deserve.

Section 3 – Whistleblowers Please Come Forward to Us

We have spoken with archaeologists, journalists, analysts, government officials, shareholders and employees around the world and encourage everyone willing to come forward to contact us. We will work with you to ensure you receive the highest degree of security and anonymity for your claims in order to give you a safe venue to voice your concerns without fear.

Section 4 – Our Price Target: \$0.0000

Regarding the future prospects of OMEX, we believe Seahawk (SHWK), Greg Stemm and John Morris's last deep sea exploration company, is an interesting template. It currently trades at \$0.0012 per share¹⁶¹ and hasn't filed current SEC filings in years. The other template investors may use for OMEX are six other publicly traded deep sea exploration companies we found.

OMEX Public Competitors		(as of 10/29/13)		
Company Name	Ticker	Market Cap (\$,mm)	Price (\$)	Comment
Deep Blue Marine	DPBE	0.9	0.0005	Reverse merger, never produced material revenue, shares worthless
Earth Dragon Resources	EARH	0.9	0.0427	Reverse merger, never produced material revenue, shares worthless
Marine Exploration	MEXP	0.0	0.0001	Reverse merger, never produced material revenue, shares worthless
Oceanic Research & Recovery	ORRV	0.0	0.0001	Reverse merger, never produced material revenue, shares worthless
Seafarer Exploration	SFRX	17.3	0.021	Reverse merger, never produced material revenue, shares worthless
UnderSea Recovery	UNDR	0.192	0.0008	Reverse merger, never produced material revenue, shares worthless
Seahawk Deep Ocean Technology	SHWK	0.0	0.0012	Former Greg Stemm and John Morris company

Source: Capital IQ

The stocks of every single one of these companies are at or near zero. Notably, every company on this list was also taken public through a reverse merger like OMEX. We think it is clear that over time, treasure hunting and deep sea exploration is a loss making venture that no underwriter or investor should ever consider to be a viable business or attractive investment. Note that this report only contains the information we were comfortable disclosing publicly. We have a lot more research not included here on many other topics. We plan to publish future reports with additional relevant information.

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¹⁶¹ Per last quoted price 10/29/2013



Chapter 5 – Supporting Documents

Section 1 – Press releases for management stock sale chart

Number	Press Release Date	Press Release Title	Quote from Press Release	Press Release URL
1	8/18/2003	Odyssey Discovers Sidewheel Steamship	"Dr. Donald Kagan, considered one of the nation's foremost experts on American gold coins from that period, has estimated that the potential retail value of these coins in today's market could reach \$120 million or more."	http://shipwreck.net/pr53.php
-	-	-	"During the last 12 years (quoted in 2003), over 1,500 total square miles have been covered in the search for this elusive target, with Odyssey searching over 1,000 square miles during the past two years alone."	-
2	11/7/2003	Odyssey Finds Republic Gold	"Approximately 80 loose coins and what appear to be at least two wooden crates containing unknown quantities of coins have been located in the area that Odyssey expected to find a cargo of specie."	http://shipwreck.net/pr58.php
3	3/15/2005	HMS Suseer Project Update	"Research suggests that the Suseer was carrying a large cargo of money when she sank. Odyssey believes that it has located the shipwreck of HMS Suseer and has signed an exclusive partnering agreement with the Government of the United Kingdom for the archaeological excavation of the shipwreck."	http://shipwreck.net/pr61.php
4	6/28/2005	Odyssey Marine Exploration Provides Operational Update	"The discussions with the Spanish authorities have been very cordial and helpful in settling some issues that had resulted from erroneous media reports. After the talks, I'm confident that all issues relating to our upcoming work in the Western Mediterranean will be dealt with in a timely fashion," commented Stearns upon his return from the talks in Spain.	http://shipwreck.net/pr100.php
5	3/26/2007	Spain, the United Kingdom and the Junta de Andalucía Agree to Suseer Shipwreck Archaeology Project	"A meeting of experts from the United Kingdom, the Junta de Andalucía and Odyssey Marine Exploration last week convened in Seville, Spain to discuss the archaeological plan related to HMS Suseer. After the meeting's successful conclusion, the Spanish Ministry of Foreign Affairs issued a press release, the English translation of which follows."	http://shipwreck.net/pr130.php
6	5/18/2007	ODYSSEY'S LATEST SHIPWRECK FIND YIELDS OVER 500,000 SILVER AND GOLD COINS	"The artifacts recovered from the site include over 500,000 silver coins weighing more than 1.7 tons, hundreds of gold coins, worked gold, and other artifacts. All recovered items have been legally imported into the United States and placed in a secure, undisclosed location where they are undergoing conservation and documentation."	http://shipwreck.net/pr134.php
7	10/19/2007	Odyssey Marine Exploration's Ship Cleared	"We hope that the evidence gathered makes it clear to authorities that we did not conduct any unauthorized operations in Spanish territorial waters, as alleged by outlandish claims made in the press. We also look forward to resolving any outstanding issues with the Kingdom of Spain over the "Black Swan" site in U.S. Federal Court in the near future and are prepared to share extensive documentation about the site pursuant to the offer made in our filings before the Judge."	http://shipwreck.net/pr146.php
8	3/6/2008	Ruling Allows Odyssey Shipwreck Cases To Move Forward	"This makes it clear that the first phase of these cases is complete and we can get beyond Spain's invalid arguments that Odyssey has not pled its case adequately. This means we can move forward to determine what basis, if any, Spain has for the claims it has made to these wreck sites," said Gregory P. Stearns, Odyssey's Chief Executive Officer.	http://shipwreck.net/pr158.php
9	6/3/2009	Odyssey Will Object to Magistrate's Recommendation to Dismiss "Black Swan" Case	"I'm very surprised," said Odyssey's CEO, Greg Stearns, "Odyssey has done everything by the book. For the Court to find that enough evidence exists to conclusively identify the site as the Mercedes and that neither Odyssey nor the claimants who owned the property have any legal interest is just wrong. I'm confident that ultimately the Judge or the appellate court will see the legal and evidentiary flaws in Spain's claim, and we'll be back to argue the merits of the case."	http://shipwreck.net/pr180.php
10	8/19/2010	Odyssey Marine Exploration Challenges Claims by Spain in its "Black Swan" Appellate Reply	"The emotional and inflammatory language used in Spain's appellate response serves to distract from the truth and the relevant legal issues. The story Spain tells mirrors the one it told at the district level, where the court made clearly erroneous factual findings," said Melinda MacConnel, Odyssey Vice President and General Counsel.	http://shipwreck.net/pr206.php
11	12/21/2010	Odyssey Marine Exploration Comments on WikiLeaks Information	"Additional cables released support Odyssey's statements that, contrary to allegations of certain Spanish officials, the company always cooperated with the Spanish Government and that permits from the Spanish government were granted for work on the HMS Suseer project."	http://shipwreck.net/pr213.php
12	1/5/2011	Odyssey Files Motion to Strike the United States Antitrust Brief Filed in the "Black Swan" Case	"Odyssey asks the Court to direct the United States to amend its statement of interest to accurately reflect its interest in the case."	http://shipwreck.net/pr218.php
13	6/11/2012	Odyssey Selects JBR Recovery Limited for U.S. Garinaga and SS Maatla Silver Cargo Processing	"Odyssey Marine Exploration today announced it has executed a contract with JBR Recovery Limited to support the logistics, refining and monetization of the anticipated silver cargoes from SS Garinaga and SS Maatla when recovered."	http://shipwreck.net/pr229.php
14	7/18/2012	Odyssey Announces First Load of Silver Cargo from Three Mexican Deep	"Odyssey Marine Exploration today announced it has successfully recovered approximately 48 tons of silver bullion from a depth of approximately three miles."	http://shipwreck.net/PR251.php

Section 2 – “Teegan Inc” Panamanian Resignation - Panama Government Documents

*2 Teegan Inc resignation paperwork for individuals named Roberto Guardia, Anais Berrioi, Daysi Lorena Gil, Jose Collado Quiroz, and Eduardo Perez Pinzon

[illegible][illegible]

[illegible]

Copia para el Sistema Tecnológico de Informaciones

Departamento de Personas Físicas. 610-22. Sigla N° 54

Documento 22-22-22

Operación 22-22-22

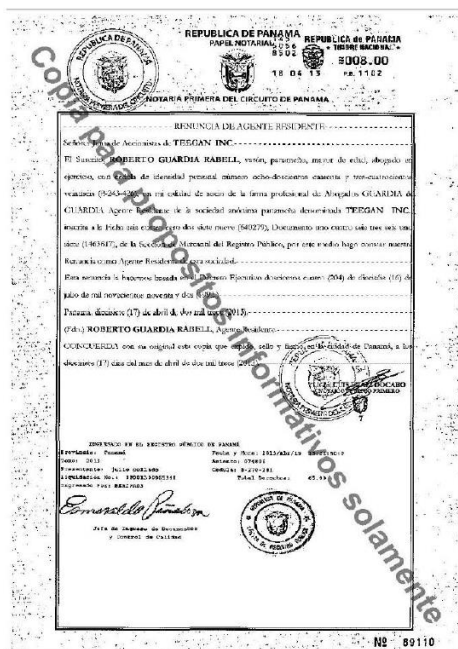
Derechos de Registro 50

Derechos de Calificación 50

Panamá. 22-22-22

Remisión a la

2014



Section 3 – OMEX’s other Panamanian subsidiary

Oceanica Marine Operations S.R.L.

See below for Panamanian registration documents for OMEX subsidiary “Oceanica Marine Operations S.R.L.”. The law firm used to set this subsidiary up is apparently managed by Roberto Guardia Rabell.

Greg Stemm appears to be the administrator for both Panamanian subsidiaries (below) and the Bahamian Subsidiary that lists officers names him as President. How is it that the Bahamian subsidiary appears to have been formed in 1983 by Greg Stemm? Did OMEX acquire this company from Greg Stemm in an undisclosed related party transaction? Has ownership properly been transferred to OMEX or does it reside in Greg Stemm’s name personally?

One thing we repeatedly saw with fraudulent Chinese companies is the foreign subsidiaries would in fact be owned directly by the CEO, not the company. When the authorities came, all the cash was in the foreign sub and the CEO skipped town.

We think it is also interesting that Bahamian subsidiary “Odyssey Marine Management, Ltd” listed below is an International Business Company (IBC) that does not disclose names of any directors and individuals involved. Why the apparently purposefully opaque subsidiary, OMEX? We note that Bahamian accounts have been used in unrelated (to OMEX) pump and dump schemes as such structures can hide ownership of accounts where ill-gotten proceeds are funneled. Why is this second OMEX Panamanian subsidiary (below) even necessary?

No. de Ficha:	2191	No. Documento:	2323791
Nombre de la Sociedad			
OCEANICA MARINE OPERATIONS S.R.L. (OMO).			
Tomos:	0	Folios:	0
Fecha de Registro:	29-01-2013	Status:	VIGENTE
No. de Escritura:	1248	Fecha Escritura:	23-01-2013
Notaria:	1	Provincia Notaria:	PANAMA
Duración:	PERPETUA	Domicilio:	PANAMA
Usuario:	AREL	Fecha Inclusión:	29-01-2013
Datos de 1a. Tasa			
Boleta:	1300014572	Fecha de Pago:	25-01-2013
Agente Residente:	GUARDIA & CO.		
Datos del Diario			
Tomos:	2013	Asientos:	16155
Datos de Microfilmación			
Rollos:	0	Imágenes:	0
Moneda:	DOLARES AMERICANOS.		
Monto de Capital:	10,000.00		
Capital			
EL CAPITAL SOCIAL DE LA SOCIEDAD ES 10,000.00 DOLARES AMERICANOS REPRESENTADOS EN 100 CUOTAS CON UN VALOR NOMINAL DE 100.00 DOLARES CADA CUOTA.			
Título del Dignatario	Nombre del Dignatario		
PRESIDENTE	GREGORY PAUL STEMM		
VICE-PRESIDENTE	MARK GORDON		
TESORERO	JAY ANTHONY NJDI		
SECRETARIO	MARK GORDON		
SOCIO	ODYSSEY MARINE ENTERPRISES LTD. (OMM)		
SOCIO	ODYSSEY MARINE MANAGEMENT LTD. (OMM)		
ADMINISTRADOR	GREGORY PAUL STEMM		