

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9690 / December 16, 2014

SECURITIES EXCHANGE ACT OF 1934
Release No. 73851 / December 16, 2014

INVESTMENT COMPANY ACT OF 1940
Release No. 31378 / December 16, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16318

In the Matter of

**MICHAEL W. CROW,
ALEXANDRE S. CLUG,
AURUM MINING, LLC,
PANAM TERRA, INC.,
and THE CORSAIR GROUP,
INC.,**

Respondents.

**ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-
AND-DESIST PROCEEDINGS
PURSUANT TO SECTION 8A OF
THE SECURITIES ACT OF 1933,
SECTIONS 15(b) AND 21C OF
THE SECURITIES EXCHANGE
ACT OF 1934, AND SECTION 9(b)
OF THE INVESTMENT
COMPANY ACT OF 1940, AND
NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”), Sections 15(b) and 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”), against Michael W. Crow (“Crow”), Alexandre S. Clug (“Clug”), Aurum Mining, LLC (“Aurum”), PanAm Terra, Inc. (“PanAm”), and The Corsair Group, Inc. (“Corsair”) (collectively “Respondents”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENTS

1. **Crow**, age 55, was a resident of Miami, Florida, and Lima, Peru during the relevant period. Until early 2014, Crow was a principal and manager of Aurum, a privately-held company that purported to own and operate gold mines in Brazil and Peru. Together with Clug, Crow also owned and controlled Corsair, an entity that purported to provide consulting services to businesses. Crow also participated in the management of PanAm, a public company whose stock was registered with the Commission, though he has been barred since 1998 from serving or acting as an officer or director of a public company. In 2008, Crow was also barred from associating with any broker, dealer or investment adviser. In 2010, Crow filed for personal bankruptcy.

2. **Clug**, age 46, was a resident of Miami, Florida and Lima, Peru during the relevant period. Clug is a principal and manager of Aurum and, together with Crow, owned and controlled Corsair. Clug served as PanAm's CEO and Chairman of the Board from at least April 2011 until July 2012, when he resigned as CEO but remained as Chairman. Clug did not hold any securities industry licenses during the relevant period.

3. **Aurum** is a Nevada limited liability company established in April 2011, with its principal place of business in Miami, Florida. Crow and Clug each owned 50% of Aurum's voting shares during the relevant period. Crow and Clug served as managers of Aurum. Aurum was not registered with the Commission in any capacity during the relevant period.

4. **PanAm** is a Nevada corporation with its principal place of business in Miami, Florida. Formerly known as Duncan Technology Group, PanAm evolved from an entity which existed since 2001. In April 2011, it was renamed "PanAm Terra, Inc.," and registered its common stock with the Commission pursuant to Section 12(g) of the Exchange Act. PanAm deregistered its common stock in May 2013.

5. **Corsair** is a Florida corporation incorporated in April 2011 with its principal place of business in Miami, Florida. Corsair was owned and controlled by Crow and Clug. Corsair was not registered with the Commission in any capacity during the relevant period.

B. OTHER RELEVANT INDIVIDUALS AND ENTITIES

6. **Aurum Mining Peru, S.A.** ("Aurum Peru") is a Peruvian subsidiary of Aurum based in Lima, Peru. Crow and Clug controlled the finances and operations of Aurum Peru during the relevant period. Aurum Peru received more than \$2 million dollars in proceeds from Aurum investors.

7. **Arthom Participacoes, Ltda.** (“Arthom”) was a Brazilian entity owned or controlled by two individuals located in Brazil during the relevant period.

8. **Batalha Mineradora, Ltda.** (“Batalha JV”) was a joint venture operation between Aurum and Arthom for the acquisition and operation of a piece of mineral property in Brazil called Batalha.

9. **ABS Manager, LLC** (“ABS”) is a limited liability company formed in Arizona in 2009, with its principal place of business in La Jolla, California.

C. **FACTS**

Crow is Enjoined and Barred for his Previous Violative Conduct

10. On September 24, 1996, the Commission filed an action alleging, among other things, that Crow, as President and Chairman of the Board of Wilshire Technologies, Inc. (“Wilshire”), a public company, caused Wilshire to materially overstate its earnings through various fraudulent schemes and also that Crow engaged in insider trading. SEC v. Crow, 96-cv-1661 (S.D. Cal.).

11. On April 16, 1998, the District Court for the Southern District of California entered a judgment that: (1) permanently enjoined Crow from violating Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-13, 13b2-1 and 13b2-2 thereunder; (2) ordered Crow to disgorge \$1,248,444 plus prejudgment interest of \$225,773, with the judgment satisfied by the resolution of a related securities class action lawsuit; and (3) stated that Crow “is permanently barred from acting as an officer or director of any issuer[.]” Crow consented to the entry of the judgment without admitting or denying the allegations.

12. The Commission then issued an order, with Crow’s consent, denying Crow the privilege of appearing or practicing before the Commission as an accountant. Michael W. Crow, Exchange Act Rel. No. 39902 (Apr. 22, 1998).

13. On May 15, 2007, the Commission filed a second action against Crow, alleging, among other things, that Crow acted as an unregistered principal of Duncan Capital LLC, a registered broker-dealer, in violation of Section 15(a) of the Exchange Act. SEC v. Crow, 07-cv-3814 (S.D.N.Y.).

14. On November 5, 2008, after a bench trial in the District Court for the Southern District of New York, the district judge issued findings of fact, including that:

There is no assurance that Crow can be trusted in the future to comply with securities laws. Crow has not acknowledged any wrongdoing. He had been enjoined once already and has acted in breach of the terms of that consent agreement with the SEC. In his actions at the Duncans, he has demonstrated a willingness to disregard the advice of counsel and he took steps to cover up what he

was actually doing. His conduct was egregious and he acted with scienter. In addition, he perjured himself in this court.

15. On November 13, 2008, the District Court issued a final judgment that: (1) enjoined Crow from aiding and abetting violations of Sections 15(a), 15(b)(1), 15(b)(7) of the Exchange Act and Rules 15b3-1 and 15b7-1 thereunder; (2) ordered Crow to pay \$6,996,103.87 in disgorgement and prejudgment interest, jointly and severally with others; and (3) ordered Crow to pay a civil monetary penalty of \$250,000.

16. Based on the final judgment, the Commission instituted an administrative proceeding against Crow. Following a motion for summary disposition filed by the Commission's Division of Enforcement, the Administrative Law Judge issued an Initial Decision as to Crow, dated April 22, 2009, which stated that:

Crow's actions were egregious on their face, a fact affirmed by the findings [of the district judge] following a lengthy bench trial, and the almost five-and-a-half million dollars in disgorgement she ordered, exclusive of prejudgment interest. Based on evidence from Crow and others, [the district judge] found that Crow acted with scienter and that he perjured himself in court. Crow's actions were not isolated, but continued for over a year, and followed separate proceedings in 1998 where a federal district court enjoined him from future antifraud violations and barred him from serving as an officer or director of a public company, and the Commission, in an administrative proceeding, denied him the privilege of appearing before the Commission as an accountant. Crow's conduct demonstrates that he is an unreformed recidivist who poses a serious future threat to the investing public.

17. Based on those findings, Crow was barred from association with any broker, dealer or investment adviser. Michael W. Crow, Initial Decision Rel. No. 376 (Apr. 22, 2009). In May 2009, the Initial Decision became final. Michael W. Crow, Exchange Act Rel. 59982 (May 27, 2009).

18. On January 22, 2010, Crow filed a Voluntary Petition in the U.S. Bankruptcy Court for the Southern District of California under Chapter 7 of the Bankruptcy Code. Crow's petition stated that he had approximately \$28,000 in assets and \$11.5 million in liabilities, including judgments, liens, alimony, and child support. See In re Michael Wayne Crow, No. 10-000978-LT7 (Bankr. S.D. Cal. Jan. 22, 2010).

19. On January 20, 2012, the court-appointed bankruptcy trustee filed an action against Crow, alleging that Crow made fraudulent transfers, preferences and post-petition transfers. Trustee v. M.W. Crow Family, L.P., et al., 10-00978-LT7 (Bankr. S.D. Ca. Jan. 20, 2012).

Crow Devises New Money-Making Schemes

20. In early 2010, after filing for bankruptcy, Crow began planning new money-making schemes.

21. Around that time, Crow and Clug used a shell entity, Duncan Technology Group, to launch PanAm, with the aim of getting it listed on an exchange as a publicly-traded company. In early 2011, Crow and Clug traveled to Brazil and Argentina. Upon their return, they caused PanAm to file a Form 10 with the Commission, registering its common stock under Section 12(g) of the Exchange Act.

22. In April 2011, Crow and Clug formed Corsair and Aurum. Crow and Clug used Aurum, PanAm and Corsair to raise funds from investors in the U.S., purportedly to launch farmland and gold mining operations in South America. However, neither Crow nor Clug had any expertise or experience in farmland management or the mining industry.

23. When they formed Aurum, Crow and Clug allocated to themselves 650,000 each in controlling Class B membership units in Aurum through their respective personal shell entities. Crow and Clug did not invest any of their own money in Aurum.

24. Corsair entered into consulting or advisory agreements with Aurum and PanAm. Through this structure, Crow and Clug collected fees from proceeds obtained from investors in Aurum and PanAm, even though Aurum and PanAm never generated any revenue. Between February 2012 and November 2013, Crow and Clug received at least \$600,000 in Corsair fees from Aurum and PanAm.

Respondents Fraudulently Offer and Sell Aurum Securities

The Aurum Convertible Notes and Term Sheet

25. Between May and June 2011, Aurum, through a term sheet dated May 10, 2011 (“Term Sheet”), raised \$250,000 from nine investors in Florida and Connecticut through the offer and sale of “Senior Secured Convertible Notes.” The notes were secured by Aurum’s minimal assets and offered investors 8% return with a nine month maturity date. The notes also offered investors an option to convert their notes into equity at a 50% discount or \$2.50 per share at the earlier of the “Close” or maturity. The notes defined the “Close” as “the financing and closing of the acquisition on the land rights and mining rights for the Gold project known as Batalha.”

26. The Term Sheet also stated that the note proceeds would be used to “complete due diligence including final report from engineers, legal, travel and costs related to the land purchase and startup operations.” Instead, a majority of the funds raised went to personally benefit Crow and Clug.

The August 2011 PPM

27. In August 2011, Crow, Clug and Aurum's Chief Financial Officer (the "CFO") started soliciting investors to invest in non-voting Class A equity membership units in Aurum at \$5 per unit. They provided investors, including some of the convertible note investors, with a Private Placement Memorandum dated August 1, 2011 (the "August 2011 PPM"). The August 2011 PPM provided a detailed description of Crow's professional background, including his designation as a CPA and his work experience prior to becoming President and Chairman of Wilshire. However, it omitted Crow's role and activities at Wilshire, his history of securities law violations, his pending bankruptcy, and the fact that his CPA license had expired.

28. The August 2011 PPM stated that closing would not occur and investor funds would be escrowed until at least \$1 million had been raised in the equity offering and "certain closing conditions" relating to the Batalha gold project had been satisfied.

29. The "closing conditions" in the PPM required, first, that Aurum and Arthom enter into a joint venture agreement on substantially the same terms as provided in the August 2011 PPM. Second, Aurum was to receive a geological report from a qualified and licensed geologist, attesting to his opinion regarding the average and/or total gold content of the Batalha tailings. Third, Aurum was to receive an opinion of Brazilian legal counsel stating that: (a) the Batalha JV had been duly formed under Brazilian law and Aurum owned a minimum of 49% in the Batalha JV subject to Aurum's required full funding of \$2.5 million; (b) the Batalha JV owned or had irrevocable rights to the land and mining rights to Batalha; and (c) the Batalha JV had received the licenses from the Brazilian government required to implement the Batalha JV's business plan with respect to Batalha.

30. Aurum and Arthom entered into a joint venture agreement dated December 12, 2011 (the "Batalha JV Agreement"), which purported to modify and replace a prior agreement. The Batalha JV Agreement provided for a 50-50 ownership between Aurum and Arthom. It required Arthom to transfer its claimed contractual right in the Batalha property to the Batalha JV. It also required Aurum to provide funding, in the form of loans to the Batalha JV, starting with an initial funding of \$750,000. The \$750,000 was to be used primarily to purchase equipment for the Batalha project, among other things.

31. By December 31, 2011, Crow and Clug had virtually depleted the \$250,000 proceeds from the convertible notes, which were due to mature in less than two months. By then, Aurum had raised only \$115,000 from investors in the equity offering, which had not been escrowed, contrary to what Aurum represented to investors in the August 2011 PPM. Rather, Aurum kept the funds in its savings account, to which Crow and Clug had unfettered access. Crow had also depleted his personal account. Faced with a potential default on the convertible notes and in an apparent attempt to replenish Crow's personal account, Crow and Clug lied to investors about Batalha as detailed below.

The December 2011 PPM and PPM Update Letter

32. In January 2012, Aurum sent another PPM dated December 31, 2011 (the “December 2011 PPM”) and an “update” letter (“PPM Update Letter”) to investors, mostly convertible note holders. The PPM Update Letter included an acknowledgement of receipt and acceptance of the December 2011 PPM by the investors. The December 2011 PPM represented that no subscriptions would be accepted until Aurum had raised at least \$250,000 in equity and the PPM closing conditions had been satisfied.

33. In late January 2012, after Aurum disseminated the December 2011 PPM and the PPM Update Letter to investors, Crow and Clug accessed the purportedly escrowed equity investor proceeds to pay themselves fees.

34. Both the December 2011 PPM and the PPM Update Letter contained material misrepresentations and omissions designed to entice investors to retain or increase their investments in Aurum.

35. Specifically, the December 2011 PPM and the PPM Update Letter misled investors about Aurum’s ownership interest in the Batalha property. The December 2011 PPM represented that Arthom had purchased and owned or controlled the land and rights to the Batalha property. It further represented that Arthom had contributed the property to the Batalha JV and that Batalha was “ready to initiate processing.” The PPM Update Letter stated:

As you know, we started 2011 focused on acquiring an interest in Batalha, a 3,742 hectare property in northern Brazil with our partners there. We additionally wanted to complete the initial tests and geology to ascertain the reserves. We have completed all of this successfully.

36. The PPM Update Letter further stated that Aurum had “[c]losed on acquiring the 50% interest in Batalha, our Brazil gold project” and that Aurum had “satisfied the conditions of closing on the Aurum original PPM,” referring to the Batalha closing conditions of the August 2011 PPM.

37. These representations were false because Aurum never acquired an interest in the Batalha property nor did the Batalha JV obtain the required mining licenses.

38. The August 2011 PPM also required that Aurum receive an opinion from Brazilian legal counsel that the Batalha JV owned or had irrevocable rights to the Batalha land and mining rights and that it had obtained the required licenses from the Brazilian authorities. This never happened. In fact, on March 8, 2012, Crow and Clug received an email from Brazilian counsel, which stated:

We still have no proof that Batalha has mining rights and land nor [sic] that it has the right to acquire such mining rights and land. We dont [sic] recommend any further investment at this point.

39. Even after receiving this email from Brazilian counsel, Crow and Clug failed to correct the material misrepresentations and omissions about Batalha in the December 2011 PPM. Instead, they continued to falsely represent to investors that Aurum owned property in Brazil. Aurum also falsely represented that it had actually purchased land in Brazil and misled investors about Batalha's status in Aurum's 2012 quarterly update reports. Aurum never satisfied the Batalha closing conditions. Nevertheless, Aurum continued to use the December 2011 PPM and quarterly reports to solicit new investors.

40. The December 2011 PPM and PPM Update Letter also contained material misrepresentations and omissions concerning, among other things: (a) the use of investor proceeds; (b) test results and financial projections relating to the Batalha property; and (c) the acquisition of other gold properties in Peru.

41. The Aurum operating agreement represented that Aurum would provide investors with annual audited and unaudited financial statements. Aurum failed to do so.

42. Both the August 2011 PPM and the December 2011 PPM stated that Crow and Clug, through entities they controlled, had received "Class B Units in consideration of [their] efforts in organizing Aurum Mining, advancing all the costs and time, formulating its business plan, and contributing the Letter of Intent and the rights attached to Aurum Mining LLC." The PPMs also stated that Corsair was entitled to receive "incentive compensation" from gross revenues, but only after certain hurdles were reached. The PPMs stated that, "[t]he terms on which the Managers and [Corsair] will be compensated ... were determined by the Managers [and no] disinterested party has confirmed the fairness of those terms"

43. Crow and Clug used investor proceeds to: (i) pay themselves each a salary of \$12,500 per month; (ii) collect at least \$2,000 each a month for apartments in an upscale part of Lima, Peru; (iii) draw \$1,500 each a month in cash for pocket money; and (iv) cover their living, travel and other expenses.

44. The December 2011 PPM also provided a detailed description of Crow's professional background but it omitted Crow's securities industry bars and his pending bankruptcy. Instead, it referred investors to a "data room" for details on "any past litigation" involving Aurum's managers.

45. Between mid-January and February 2012, Aurum sent the PPM Update Letter to all the note investors and urged them to convert their notes into equity with misleading information about Aurum's business prospects in Brazil and Peru. Aurum also sent the PPM Update Letter to existing equity investors inducing them to invest more money in Aurum.

46. From August 2011 to September 2012, Aurum raised approximately \$2.2 million from at least 20 investors in Florida, Connecticut and California.

The Aurum Quarterly Updates to Investors

47. In mid-2012, Aurum started sending quarterly reports to “update” existing and prospective Aurum investors which were replete with material misrepresentations and omissions about Aurum’s business prospects. Through these quarterly reports, Aurum misled investors about its ownership interests in various mineral properties in Brazil and Peru, the test results obtained from those properties, and the timing of production and cash flow associated with those properties. The quarterly updates were written or reviewed by Crow and Clug.

48. For instance, the 2012 first quarter report, dated May 2012, represented that Aurum had acquired “two excellent mining concessions” in Peru, referring to the Cobre Sur and Molle Huacan concessions. To the contrary, Aurum had acquired only an option to purchase the concessions subject to meeting substantial payment obligations to the owners.

49. In addition, by April 16, 2012, Crow and Clug already knew that one of the sites, Cobre Sur, had negative test results. An American geologist (“Geologist A”) tested Cobre Sur and informed Aurum that the gold values were too low to start a mining operation on the property. Notwithstanding, Clug asked whether Geologist A would produce a “project of merit” report for Cobre Sur. Geologist A declined.

50. Geologist A also tested another site, Molle Huacan, during a site visit in April 2012, accompanied by Clug and Aurum’s Peruvian geologist. Subsequently, Geologist A issued a report dated October 8, 2012, concluding that “[g]iven the low average grade and small tonnage potential,” Molle Huacan was “not ready for production.” Nonetheless, Aurum’s 2012 third quarter report dated November 5, 2012 falsely represented that the results of Aurum’s metallurgy tests on Molle Huacan “have been excellent and indicate high recovery rates at lower cost.”

51. The 2012 third quarter report further misled investors about the timing of production and cash flow. It stated that the first day of operational mining in Molle Huacan was projected to occur on November 25, 2012, with processing and cash flow starting by January 2013, and encouraged investors to increase their stake by November 30, 2012, indicating that it would otherwise seek funds from new investors. At least two investors increased their investments after receiving this misleading update.

52. Finally, on July 10, 2013, Clug sent a belated 2013 first quarter report to an investor. Clug wrote in the cover email that “[w]e are working hard here to get into production and processing and thus positive cash flow asap!” and that Aurum was on the verge of finishing its on-site processing plant to start processing and selling gold. The 2013 first quarter report projected that initial production and processing would occur by August 1, 2013 and the overall test results “indicate that our mineral is ideal for a high volume operation and a good fit for the leaching process [sic] plant that we are building.” To the contrary, Aurum did not produce any viable amount of gold. The so-called processing plant at Molle Huacan never became operational.

*The September 2012 PPM, January 2013 PPM, CIM Offering Circular,
and Aurum Business Plan*

53. By September 2012, the approximately \$2 million raised from the equity offering was substantially depleted. Aurum then prepared a new PPM dated September 15, 2012 (“September 2012 PPM”) in a bid to raise \$1 million purportedly to build a mineral processing plant and launch mining operations in Peru. Subsequently, Aurum used another PPM dated January 1, 2013 (“January 2013 PPM”), a Confidential Information Memorandum (“CIM”), and an Aurum Business Plan dated January 30, 2013 (“Aurum Business Plan”), in a bid to raise an additional \$1 million, also purportedly to build a mineral processing plant and launch mining operations in Peru. The September 2012 PPM, January 2013 PPM, CIM, and Aurum Business Plan also contained material misrepresentations and omissions.

54. The September 2012 PPM stated that Aurum had “uncovered at least 10 significant gold veins and one in which we know there is a lot of copper.” It also stated that “[o]ur goal is to be able to initiate mining of the ore from Molle Huacan by the end of Q3 of 2012 and process ourselves by Q2 of 2013.” The January 2013 PPM stated that “[o]ur goal is to be able to initiate mining of the ore from Molle Huacan by the end of Q1 of 2013 and process on site.” The CIM represented that an independent geological report had concluded that Molle Huacan was “a project of merit with a reasonable plan for drilling to define the ore body.”

55. The CIM also stated that Aurum’s quick-to-production approach was “focused on generating positive cash flows quickly and the inferred gold resources of the Molle Huacan property means long-term cash flows from its operations.” In addition, the CIM confirmed that Aurum had obtained all the required permits and was going into production, falsely stating that “initial production commenced in April 2013” and that Molle Huacan will be in phase 2 production in mid-2013. The CIM projected that within 5 years, Aurum will realize \$194,762,960 in net income from Molle Huacan.

56. These are material misrepresentations and omissions because they imply that Molle Huacan already had an ore body of gold and that Aurum was on the verge of producing and processing gold. Contrary to Aurum’s claims, a Canadian geologist (“Geologist B”) who visited Molle Huacan in February 2013 and had tested the site, found no evidence that Molle Huacan had an ore body of gold. According to Geologist B, an “ore body” is a body of mineralization that is economic to extract, i.e. sufficient to fund its exploration, development, extraction, labor, overhead, and reclamation costs, in addition to providing a reasonable return to investors. Dissatisfied, Clug tried to convince Geologist B to alter or omit some of the negative findings in his draft geological report, including the fact that Geologist B’s test results showed lower gold values than those reported by Aurum’s local Peruvian geologist. Geologist B declined. Eventually, Geologist B concluded that Molle Huacan did not contain any known mineral resources or reserves.

57. Furthermore, the Aurum Business Plan, which was used as a marketing tool, also contained material misrepresentations and omissions. For instance, it stated that exploration had “confirmed the presence of 7 mineral veins within Molle Huacan” and that “[t]hese rosy class veins have grades between 3 grams and 25 grams of gold.” It also estimated that Molle Huacan contained inferred gold mineral resources of a minimum 2,842,000 ounces” on one vein alone. Geologist B found these estimates to inaccurate and exaggerated.

58. The September 2012 PPM and January 2013 PPM referred investors to the data room for “discussion of Mr. Crow’s 2008 litigation with the SEC over an investment and ownership of a broker dealer without the requisite securities license and subsequent bankruptcy following the financial meltdown of 2008.”

59. From September 2012 to November 2013, Aurum raised approximately \$1.5 million from at least 10 investors in Florida, Connecticut, California, and elsewhere.

60. Crow and Clug knew or should have known that the PPMs, PPM Update Letters, the quarterly update reports, and other offering documents disseminated to investors contained material misrepresentations and omissions. Crow and Clug were Aurum’s principals, and each was a managing member of Aurum. Each participated in the drafting and approval of the offering documents, and, was directly involved with Aurum’s activities in Brazil and Peru.

Respondents Fraudulently Offer and Sell PanAm Securities

61. On April 29, 2011, PanAm filed a Form 10 with the Commission. In its Commission filings and other offering disclosures, PanAm represented to investors that it planned to acquire and control Latin American farmland utilized for permanent crops which can be readily exported to countries that cannot competitively produce sufficient food. PanAm projected that by the end of its third year (2014), it would own 20,000 hectares with a value of \$280 million and an enterprise value of approximately \$500 million.

62. Prior to PanAm’s registration of its common stock with the Commission, Crow played a lead role in directing the affairs of the company. After PanAm became a public company, Crow continued his involvement, operating behind the scenes. Crow was regularly involved in high-level senior management communications concerning PanAm’s business affairs and he participated in decision-making activities. For example, Crow negotiated business deals with third parties on behalf of PanAm. Crow also attended conferences and business meetings relating to PanAm and billed his expenses to PanAm. Furthermore, Crow was instrumental in selecting officers and directors of PanAm. Crow performed oversight functions and even threatened to fire PanAm’s CFO because of a delay in PanAm’s Form 10-K filing with the Commission. Clug and others at PanAm kept Crow informed about PanAm’s operations and business plans.

63. Crow obtained two convertible notes from PanAm in March 2011 in exchange for \$25,000 in a purported “seed loan” to PanAm in 2010 and \$28,000 in purported unreimbursed expenses incurred on behalf of PanAm before it filed its Form 10 with the Commission. Crow had PanAm issue the notes to Pacific Trade Ltd., a shell entity Crow owned and controlled.

64. An advisory agreement between PanAm and Corsair dated July 6, 2012 provided that Corsair would “provide recommendations” to PanAm “in connection with management issues, equity or debt financing as well as other financial matters.” Through this advisory agreement, Corsair obtained approximately \$40,000 in fees from PanAm, with at least half of the proceeds going to Crow. While PanAm’s Commission filings disclosed the Corsair contract, it failed to disclose Crow’s role in Corsair.

65. From at least January 2011 to March 2013, PanAm raised \$400,000 from about a dozen investors in Florida.

66. The PanAm investors signed subscription agreements which stated that they were relying only on PanAm’s Executive Brief (“PanAm Brief”) and any other written information furnished by PanAm (*i.e.*, Commission filings). However, the PanAm Brief dated May 2011 falsely represented to investors that PanAm had submitted an application for listing on the OTCBB in April 2011. This was materially misleading to investors because it gave them the false impression that PanAm’s shares were poised to become publicly traded with a significant upside.

67. PanAm’s Commission filings and offering documents failed to disclose Crow’s extensive involvement with PanAm, his pending bankruptcy and the fact that he had been barred as an officer or director of a public company.

68. Furthermore, PanAm represented in its Form D filing in September 2012 that none of the initial \$320,000 offering proceeds would be used to pay the officers and directors or promoters of PanAm. This was false because by September 2012 PanAm had used a substantial portion of the proceeds to pay Crow, Clug and another individual acting as PanAm’s CEO.

69. Ultimately, PanAm did not acquire a single asset in Latin America. Instead, it used at least \$100,000 of the investor proceeds to personally benefit Crow and Clug.

70. Crow and Clug each knew or should have known that PanAm’s public filings and offering documents contained material misrepresentations and omissions.

71. Clug, as CEO, signed a certification as to the accuracy of PanAm’s Commission filings, pursuant to Exchange Act Rule 13a-14.

Respondents Operated Corsair as an Unregistered Broker-Dealer

72. In January 2012, Corsair entered into a referral agreement with ABS. The agreement required ABS to pay commissions or fees to Corsair based on the principal amount invested by any investor referred by Corsair to ABS. Shortly thereafter, Crow, Clug and Corsair's CFO facilitated a meeting between the ABS portfolio manager and Aurum investors in which the ABS portfolio manager made a marketing pitch to investors. The ABS portfolio manager informed investors that they could invest in purportedly safe GNMA bonds in the ABS portfolio earning 12% return. Crow, Clug and the Corsair CFO also participated in the preparation of a term sheet to enable investors to borrow up to 70% against the value of the investors' ABS accounts to invest in Aurum's equity offerings.

73. Between January 2012 and December 2012, Corsair referred at least six investors to ABS and received at least \$10,000 in fees in the form of transaction-based compensation from ABS as a result of investments in ABS made by those referred investors. Crow and Clug shared the fees paid to Corsair.

74. At the time Corsair received the fees from ABS, Corsair was not registered as a broker-dealer with the Commission. In addition, Crow and Clug were not registered as or associated with any registered broker-dealer. In fact, Crow had been barred from, among other things, association with any broker-dealer.

D. VIOLATIONS

75. As a result of the conduct described above, Crow, Clug, Aurum, and PanAm willfully violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer and sale of securities and in connection with the purchase or sale of securities. Crow and Clug willfully aided and abetted and caused such violations by Aurum and PanAm.

76. As a result of the conduct described above, PanAm willfully violated, and Crow and Clug willfully aided and abetted and caused PanAm's violations of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder, which require every issuer of a security registered pursuant to Section 12 of the Exchange Act to file complete and accurate annual and quarterly reports with the Commission.

77. As a result of the conduct described above, Clug willfully violated Rule 13a-14 of the Exchange Act, which requires that principal executive and financial officers of an issuer of a security registered pursuant to Section 12 of the Exchange Act certify to the accuracy and completeness of the issuer's annual and quarterly reports filed with the Commission.

78. As a result of the conduct described above, Crow, Clug and Corsair willfully violated Section 15(a)(1) of the Exchange Act, which prohibits any entity from making use of the mails or any means or instrumentality of interstate commerce to effect

transactions in securities without registering as a broker-dealer. Crow and Clug willfully aided and abetted and caused such violation by Corsair.

79. As a result of the conduct described above, Crow willfully violated Section 15(b)(6)(B) of the Exchange Act for acting as or associating with a broker-dealer while under Commission order pursuant to Section 15(b)(6)(A) of the Exchange Act. Clug willfully aided and abetted and caused such violation by Crow.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative and cease-and-desist proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondents an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 15(b) of the Exchange Act including, but not limited to, disgorgement and civil penalties pursuant to Section 21B of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Respondents pursuant to Section 9(b) of the Investment Company Act including, but not limited to, disgorgement and civil penalties pursuant to Section 9 of the Investment Company Act; and

E. Whether, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act and Section 9 of the Investment Company Act, Respondents should be ordered to cease and desist from committing or causing violations of and any future violations of Section 17(a) of the Securities Act, Sections 10(b), 13(a), 15(a)(1) and 15(b)(6)(B) of the Exchange Act, and Rules 10b-5, 12b-20, 13a-1, 13a-13 and 13a-14 thereunder, whether Respondents should be ordered to pay a civil penalty pursuant to Section 8A(g) of the Securities Act, Section 21B(a) of the Exchange Act and Section 9(d) of the Investment Company Act, and whether Respondents should be ordered to pay disgorgement pursuant to Section 8A(e) of the Securities Act, Sections 21B(e) and 21C(e) of the Exchange Act, and Section 9 of the Investment Company Act .

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened not earlier than 30 days and not later than 60 days from service of this Order at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondents shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondents fail to file the directed answer, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondents as provided for in the Commission's Rules of Practice

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 300 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary