

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	
)	
)	
vs.)	Civil Action
)	
KEITH B. LAGGOS,)	No.
)	
Defendant,)	
)	

COMPLAINT

Plaintiff Securities and Exchange Commission (“Commission” or “SEC”) alleges as follows:

SUMMARY OF ALLEGATIONS

1. This action concerns Defendant Keith B. Laggos’ role in promoting the fraudulent unregistered offer and sale of securities (in the form of unregistered investment contracts) through Rex Venture Group, LLC (“RVG”) d/b/a www.ZeekRewards.com (“ZeekRewards”), an internet-based combined Ponzi and pyramid scheme.

2. RVG and its principals and employees solicited investors through the internet and over interstate wires to participate in the ZeekRewards program, a self-described “affiliate advertising division” for the companion website, www.zeekler.com (“Zeekler”), through which RVG operated penny auctions.

3. From approximately January 2011 until RVG and ZeekRewards were shut down in August 2012, RVG raised more than \$850 million from approximately 1 million investors nationwide and overseas by making unregistered offers and sales of securities through the ZeekRewards website in the form of Premium Subscriptions and VIP Bids.

4. From at least June 2011 to July 2012, Laggos served as a consultant to RVG, suggesting modification to the ZeekRewards compensation plan and, as publisher of a trade magazine, he also promoted ZeekRewards through flattering articles for which he received undisclosed compensation from RVG.

5. Unbeknownst to its investors, but as Laggos knew or recklessly disregarded, ZeekRewards was, in reality, a massive Ponzi and pyramid scheme.

6. Approximately 98% of ZeekRewards’ total revenues, and correspondingly the purported share of “net profits” paid to investors, were comprised of funds received from new investors rather than legitimate retail sales.

7. Laggos has violated, and unless enjoined will continue to violate, the antifraud and anti-touting provisions of the federal securities laws. Unless restrained and enjoined, Laggos is likely to engage in future violations of the federal securities laws. Accordingly, the Commission seeks a permanent injunction, disgorgement with prejudgment interest, and civil penalties against Laggos.

JURISDICTION AND VENUE

8. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a)] and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa]. Laggos has, directly or indirectly, made use of the means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities exchange, in connection with the transactions, acts, practices, and courses of business alleged in this complaint.

9. Venue is proper in this District pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act, 15 U.S.C. § 78aa, because certain of the transactions, acts, practices, and courses of conduct constituting violations of the federal securities laws occurred within this District.

Laggos transacted business, and participated in the offer and sale of the securities that are the subject of this action, including to investors in this District.

DEFENDANT

10. **Keith B. Laggos**, age 64, is a resident of Illinois, but at all relevant times he served as a consultant for ZeekRewards, an internet website (www.zeekrewards.com) with physical operations in Lexington, North Carolina, and internet customers and contacts throughout the United States (including in this District) and internationally; Laggos also published the Network Marketing Business Journal (“NMBJ”), which promoted ZeekRewards and other networking marketing companies to online and print readers throughout the United States (including in this District) and internationally.

FACTUAL ALLEGATIONS

ORIGINS OF ZEEKREWARDS

11. In 2010, Paul Burks and others created Zeekler.com, a penny auction website offering items ranging from personal electronics to cash. Penny auctions require participants to pay a non-refundable fee (typically \$.50 to \$1.00) to purchase and place each incremental “bid” (typically one cent) on merchandise sold via auction. The penny auctions were not particularly successful until Burks, through his company RVG and with assistance from others, launched ZeekRewards in January 2011.

12. ZeekRewards was the self-described “private, invitation-only, affiliate advertising division” of Zeekler. Bidders on Zeekler.com penny auctions could purchase bids on Zeekler.com, but ZeekRewards and its affiliates also sold or gave away free sample bids to be used in the penny auctions. In fact, the vast majority of bids used in the penny auctions were acquired as “free” samples.

13. Rather than promoting penny auctions, Burks and others primarily marketed ZeekRewards to investors as an opportunity to earn passive income indefinitely through their participation and recruiting. To that end, in or about June 2011, RVG and Burks hired Laggos, pursuant to a consulting contract, to among other things, develop a compensation plan for the ZeekRewards multi-level marketing program to attract and retain investors by assuring them a means to share in ZeekRewards’ purported profits.

THE ZEEKREWARDS OFFERING

14. RVG solicited persons to become investors or “affiliates” in ZeekRewards through publicly accessible websites (including www.zeekrewards.com) that RVG and Burks owned, operated, controlled, or sponsored.

15. Through the ZeekRewards program, RVG offered affiliates several ways to earn money, two of which involve the offer and sale of securities in the form of investment contracts: the “Retail Profit Pool” and the “Matrix.”

16. From at least January 2011 until August 2012, when RVG and ZeekRewards were shut down, RVG raised at least \$850 million through the offer and sale of securities (via the Retail Profit Pool and the Matrix) to more than 1 million domestic and international investors.

17. No registration statement was ever filed or was ever in effect with the Commission with respect to the ZeekRewards securities offered and sold by RVG and others.

1. THE RETAIL PROFIT POOL

18. RVG attracted new investors to ZeekRewards with the promise of daily profit-share awards distributed through a Retail Profit Pool. Laggos, serving as a consultant to RVG, suggested modification to aspects of the ZeekRewards program, and the compensation plan in particular.

19. According to the ZeekRewards website, through the Retail Profit Pool the company shares “up to 50% of the daily net profits” with affiliates who meet certain qualifications (“Qualified Affiliates”). To become a Qualified Affiliate, investors were required to satisfy four criteria: (i) enroll in a monthly subscription plan requiring payments of \$10, \$50, or \$99 per month; (ii) enroll new penny auction customers personally, through the ZeekRewards co-op program, or through third-party businesses endorsed by ZeekRewards; (iii) sell at retail or purchase and

give away as samples a minimum of ten Zeekler.com bids, earning Profit Points; and (iv) place one free ad daily for Zeekler.com and submit proof to ZeekRewards.

20. Qualified Affiliates had no role in ZeekRewards' operations. RVG and its personnel alone created, updated and operated the websites, handled all payments, managed the bank accounts and payment service providers, managed affiliate and customer accounts, managed all affiliate and customer services, oversaw and disbursed all bids, operated the auctions, created all advertisements, sponsored recruiting videos and calls, created the advertisements, managed the Matrix, and decided the daily payout percentages for the Retail Profit Pool.

21. Investor funds paid were pooled and commingled in a handful of financial institutions. Investor funds also were commingled with ZeekRewards and the penny auction website's overall revenues from all company operations.

22. Qualified Affiliates earned Profit Points by either (a) selling penny auction bid packages directly to retail customers ("Retail Bids"), or (b) purchasing "VIP Bids" and giving them away as samples to retail customers or to other personally-sponsored affiliates.

23. Most affiliates opted to simply purchase VIP Bids (up to a maximum \$10,000 investment) and give them away as samples in order to earn Profit Points. Even then, affiliates did not need to exert any efforts in giving away the VIP Bids they purchased because RVG created automated programs, including the

“Customer Co-Op” and the “5CC” programs, that generated purported customers to whom the bids can be given automatically without any further effort on the affiliates’ part.

24. Earning daily dividends also required that affiliates place one free internet advertisement daily for the company, but that exercise required little or no effort. Affiliates could merely copy and paste free ads – created by RVG without input from affiliates – from a company-sponsored program, which the ZeekRewards website boasted should take no more than five minutes per day. Affiliates also could employ a third-party program to generate ads automatically for them; affiliates simply had to verify that they had placed the ad by submitting an internet link to ZeekRewards. Placing more or better ads did not enhance an individual’s share of profits.

25. Qualified Affiliates were paid their share of supposed net “profits” from the Retail Profit Pool in the form of daily “awards” or dividends on accumulated Profit Points.

26. The size of the each Qualified Affiliate’s daily award was dependent solely on how many Profit Points that investor had accumulated; it was not based on rendering any significant service to ZeekRewards. Thus, buying and giving away more VIP Bids garnered greater Profit Points, hence a larger daily profit share award, without any additional effort required.

27. Qualified Affiliates had the option to receive their daily “award” that typically approximated 1.5% per day as: (i) a cash payment; (ii) additional Profit Points; or (iii) a combination of both.

28. The Retail Profit Pool qualifies as a security in the form of an investment contract because (1) participation in the Retail Profit Pool required an investment of money (purchase of a premium subscription plan); (2) Qualified Affiliates’ monthly subscription fees and bid purchases were pooled; and (3) participating affiliates shared in the “profits” of a common enterprise (the ZeekRewards program) that relied on Burks and RVG to manage the entire business operation – websites, auctions, advertising, customer accounts, and payment of “profits” – while affiliates could participate in the Retail Profit Pool with minimal effort.

29. ZeekRewards encouraged Qualified Affiliates to convert at least 80% of their daily award into additional Profit Points. Most Qualified Affiliates followed this suggested approach.

30. The daily award had a compounding effect for those Qualified Affiliates who elect to receive the daily award as new Profit Points rather than cash.

31. As a result of the compounding effect, by the time ZeekRewards was shut down in August 2012, Qualified Affiliates had nearly 3 billion Profit Points

outstanding. Based on average daily award of 1.5%, the company would have been obligated to pay out approximately \$45 million per day if all Qualified Affiliates elected to receive their daily award in cash. Such payouts would have depleted the company's cash reserves in a matter of days.

2. THE MATRIX

32. ZeekRewards also employed a pyramid "Matrix" to reward its investors for recruiting others to join the scheme.

33. The company placed each newly recruited affiliate into a "2x5 forced-fill matrix," which is a multi-level marketing pyramid with 63 positions that pools new investors' money and pays a bonus to affiliates for every "downline" investor within each affiliate's personal matrix.

34. Affiliates that had (i) enrolled in a monthly subscription plan requiring payments of \$10, \$50, or \$99 per month; and (ii) recruited at least two other "Preferred Customers" (i.e., investors who have likewise enrolled in a monthly subscription plan) qualified to earn bonuses through the Matrix.

35. Once qualified, an affiliate received bonuses and commissions for every paid subscription within her downline 2x5 pyramid, whether or not she personally recruited everyone within the matrix. Furthermore, affiliates were rewarded merely for recruiting new investors without regard to any efforts by the affiliates to sell bids or otherwise support the retail businesses.

36. Investors' Matrix bonuses and the company's (and the company's promoters') profits were derived from the same source: the overall revenues generated from new investors to the ZeekRewards program and, to a lesser extent, from the penny auction website.

37. The Matrix qualifies as a security in the form of an investment contract because: (1) participation in the Matrix required an investment of money (purchase of a monthly subscription plan requiring payments of \$10, \$50, or \$99 per month); (2) the Matrix was a pyramid structure that pooled investments from new affiliates and gave a portion of those proceeds to affiliates who "sponsored" new affiliates to join the pyramid beneath them; and (3) participating affiliates shared in the "profits" of a common enterprise (the ZeekRewards program), which required little or no investor effort but instead relied on the management efforts of Burks and RVG.

RVG'S OPERATION OF A FRAUDULENT PONZI AND PYRAMID SCHEME

38. Burks and others designed the ZeekRewards program as a fraudulent scheme. Laggos recommended features to operate as a legally compliant network marketing program, but RVG did not always follow Laggos' advice.

39. Burks and other RVG personnel chose an average 1.5% daily dividend to Qualified Affiliates to sustain the false impression that the business earned approximately 125% returns every 90 days; in fact, the company's retail

profits from penny auctions were miniscule and the daily awards could only be supported by funds received from ever increasing investments by legions of new affiliate investors.

40. The promised daily dividends and profit sharing bore no relation to the company's actual net profits. Instead, Burks unilaterally and arbitrarily determined the daily dividend rate so that it fluctuated slightly each day but averaged approximately 1.5% per day, giving investors the false impression that the business was highly profitable.

41. Burks and other RVG personnel failed to disclose that, without new investor deposits (in the form of VIP Bid purchases and subscription fees), revenues would dwindle substantially as only approximately 2% of daily revenues came from actual retail sales. Without a constant infusion of capital from new investors, the scheme would likely collapse.

42. Based on the average 1.5% daily dividend on 3 billion Profit Points outstanding when ZeekRewards was shut down in August 2012, ZeekRewards would have owed nearly \$45 million per day in profit share awards to investors (Qualified Affiliates) if all such investors requested cash rewards instead of points. The company's actual daily revenues -- which averaged approximately \$5 million per day (based almost entirely on new affiliate subscriptions and VIP bid

purchases) at the time ZeekRewards was shut down – could not support such daily cash payouts.

LAGGOS' ROLE IN SUPPORTING AND PROMOTING ZEEKREWARDS

43. As explained above, RVG attracted new investors to ZeekRewards with the promise of daily profit-share awards distributed through the Retail Profit Pool. Laggos served as a consultant to RVG, suggested modification to aspects of the ZeekRewards program, including the compensation plan in particular. Laggos recommended various features that purportedly were intended to help ZeekRewards operate as a legally compliant network marketing program. RVG did not follow all of Laggos' recommendations, and ZeekRewards in fact operated as a Ponzi scheme. Laggos knowingly or recklessly continued his association with RVG despite the company's failure to act on his recommendations,

44. Between June 2011 and July 2012, RVG paid Laggos at least \$9,000 for his work as a consultant. As an RVG consultant, Laggos provided marketing advice and was featured as a speaker or representative at company events promoting the company. On several occasions, Laggos suggested alternative descriptions of key terminology on the public website or superficial changes to the compensation plan and matrix structure to ward off regulatory scrutiny of certain aspects of the program that otherwise could be viewed as an illegal passive investment scheme. This included removing any references on the website to the

terms “investment” and “ROI”; substituting a daily award percentage that in the aggregate approximated 125% every 90 days rather than “guaranteeing” a 125% return; and requiring investors to give away VIP bids to foster the illusion of contributing efforts to the enterprise. Once implemented by RVG, these recommended changes also concealed from investors and regulators the true nature of the ZeekRewards scheme, but Laggos did not alert investors (or potential new investors) about any potentially misleading descriptions.

45. Laggos also provided ongoing consulting advice to assist the company in its operations and marketing of ZeekRewards. He recommended establishing foreign bank accounts to ensure continuity of operations if cut off from services from domestic financial institutions. While purporting not to offer legal advice, he also advised RVG on tax and accounting issues for the treatment of distributions made to affiliates. The company adopted some of Laggos’ recommendations, which had the effect of giving the program at least the veneer of a genuine business and helped prolong the scheme.

46. As publisher of NMBJ, Laggos also provided crucial publicity to ZeekRewards to cement its image among potential investors as a supposed genuine business. In or about June 2011, Laggos prepared and edited a feature-length article promoting ZeekRewards as the “company of the month,” touting its supposed record earnings, customer base, unique compensation plan, and

opportunity to generate residual income, commissions, and bonuses. Despite even the ZeekRewards chief operating officer questioning several key assertions in the article, and despite Laggos knowing of the same, Laggos published the article in the July/August 2011 issue of NMBJ without clarifying statements (beyond general disclaimers) to avoid misleading readers. Furthermore, while noting that featured companies paid for advertising, Laggos failed to disclose that he charged RVG \$32,500 for the favorable editorial coverage of ZeekRewards. (Nor did Laggos disclose that RVG paid him as a consultant.)

47. To pay for the publication, RVG gave Laggos a position in the ZeekRewards matrix and the retail profit pool to ensure he would earn sufficient funds to cover what he was owed. Laggos earned at least \$82,901 in “commissions” from these sources, thus garnering far more than he was owed for the publication.

48. In or about February 2012, Laggos prepared a second NMBJ article promoting the ZeekRewards “business opportunity.” The article, published in the April NMBJ issue, touted RVG’s supposed commitment to compliance, highlighting the roles played by several lawyers and consultants (including Laggos himself). The article also repeated claims about the supposed high “customer-to-rep ratio” (a purported hallmark of a genuine network marketing business) despite Laggos’ having been advised previously by ZeekRewards’ chief operating officer

that the figures were misleading. Laggos did not include any clarifying statements (beyond general disclaimers) to avoid misleading readers about these statements. Furthermore, RVG paid \$32,375 to Laggos for this positive editorial coverage (and also paid Laggos as a consultant to RVG). Laggos failed to disclose his receipt of compensation to his readership.

49. By the spring 2012, Laggos began expressing concern about RVG's logistical challenges and customer service failings occasioned by the exponential growth of the ZeekRewards program. He also warned of increased regulatory scrutiny. By June 2012, Laggos became disillusioned with the company, expressing concern that affiliates were not being paid, or payment processing was delayed, and that he was having to expend efforts to dissuade affiliates from complaining to authorities.

50. By July 2012, Laggos and Burks mutually agreed that Laggos would no longer serve as a consultant, but he would retain his affiliate position in the retail profit pool and matrix and continue to "support" the operation. But Laggos' view soured over the next month, when he expressed concerns to Burks that ZeekRewards may be operating as an illegal pyramid scheme and threatened to complain to federal authorities. Laggos nevertheless never followed through on his threats because, as he explained to Burks on August 14, 2012, he feared his

complaints may have adverse effects on other affiliates. Three days later, the SEC shut down the ZeekRewards operation.

51. Neither Laggos nor anyone at RVG ever informed investors of the substantial risk that the Matrix was prone to collapse if the promoters were unable to recruit ever-increasing numbers of paid affiliates into the Matrix pyramid (because without new investors there would be no source of revenue to pay existing participants in the scheme).

52. Despite encouraging affiliates to purchase and give away VIP Bids to promote and drive traffic to the Zeekler penny auction website, RVG failed to disclose that few of the VIP Bids given away by Qualified investors were actually used on the Zeekler penny auction website. Of approximately 10 billion VIP Bids purchased by or awarded to investors, less than one-quarter of one percent were actually used in auctions on the Zeekler penny auction website. Thus, the VIP Bids did little or nothing to actually promote the retail business.

53. Although ZeekRewards paid out hundreds of millions of dollars to Qualified Affiliates through the Retail Profit Pool and the Matrix, by July 2012 the company had insufficient deposits to satisfy future awards based on outstanding Profit Points and Matrix commissions and bonuses. Hence, the scheme was nearing collapse at the time it was shut down in August 2012.

FIRST CLAIM FOR RELIEF

FRAUD IN THE OFFER OR SALE OF SECURITIES

Violations of Section 17(a) of the Securities Act

54. The Commission realleges and incorporates by reference the foregoing paragraphs.

55. Laggos, by engaging in the conduct described above in furtherance of the fraudulent scheme, directly or indirectly, in the offer or sale of securities by the use of means or instruments of transportation or communication in interstate commerce or by use of the mails, obtained money or property by means of any untrue statement or a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

56. By engaging in the conduct described above, Laggos violated, and unless restrained and enjoined will continue to violate, Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

SECOND CLAIM FOR RELIEF

FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES

Violations of Section 17(b) of the Securities Act

57. The Commission realleges and incorporates by reference the foregoing paragraphs.

58. Laggos, by engaging in the conduct described above, published, gave publicity to, or circulated a notice, circular, advertisement, newspaper article, letter, investment service, or communication describing a security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter or dealer without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

59. By engaging in the conduct described above, Laggos violated, and unless restrained and enjoined will continue to violate, Section 17(b) of the Securities Act [15 U.S.C. § 77q(b)].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Securities and Exchange Commission respectfully requests that the Court:

I.

Issue findings of fact and conclusions of law that Laggos committed the alleged violations described hereinabove.

II.

Issue judgments, in a form consistent with Fed. R. Civ. P. 65(d), permanently enjoining Laggos and his agents, servants, employees, and attorneys, and those persons in active concert or participation with any of them, who receive actual notice of the judgment by personal service or otherwise, and each of them, from violating, directly or indirectly, Sections 17(a) and 17(b) of the Securities Act [15 U.S.C. § 77q(a), (b)].

III.

Order Laggos to disgorge all ill-gotten gains, including prejudgment interest, resulting from the illegal acts or courses of conduct alleged in this Complaint.

IV.

Order Laggos to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)].

VI.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

VII.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: March 22, 2017

Respectfully submitted,

/s/ Joshua E. Braunstein

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SECURITIES AND EXCHANGE)	
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CONSENT OF DEFENDANT KEITH B. LAGGOS

1. Defendant Keith B. Laggos (“Defendant”) waives service of a summons and the Complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the Complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to the entry of judgment in the form attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- a. permanently restrains and enjoins Defendant from violation of Sections 17(a) and 17(b) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77q(a), 77q(b)];

- b. permanently restrains and enjoins Defendant from (i) directly or indirectly participating in or facilitating the solicitation of any investment in any security or the offering of any security, and (ii) publishing, giving publicity to, or circulating, any notice, circular, advertisement, newspaper article, letter, investment service, or communication describing a security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter or dealer; provided, however, that such injunction shall not prevent Defendant from purchasing or selling securities listed on a national exchange for his own personal account;
- c. orders Defendant to pay disgorgement in the amount of \$36,937, plus prejudgment interest thereon in the amount of \$5,316.68; and
- d. orders Defendant to pay a civil penalty in the amount of \$36,937 under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)].

3. Defendant agrees to disclaim and relinquish, and agrees that the Court shall order Defendant to disclaim and relinquish, all legal and equitable right, title, claim, or interest in Rex Venture Group LLC, including: all subsidiaries, whether incorporated or unincorporated; all businesses or business names under which it does business and; and all assets in Rex Venture Group LLC's possession, custody or control, including assets held in accounts in any financial institution.

4. Defendant acknowledges that the civil penalty paid pursuant to the Final Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, the civil penalty shall be treated as a penalty paid to the government for all purposes, including all

tax purposes. To preserve the deterrent effect of the civil penalty, Defendant agrees that he shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this action. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

5. Defendant agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

6. Defendant acknowledges that this Consent and the Final Judgment are based in part upon Defendant's sworn representations in Defendant's Statement of Financial Condition dated December 22, 2016, [_____] and other documents and information submitted to the Commission. Defendant further consents that if at any time following the entry of the Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning Defendant's assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant to pay disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In any such petition, the Commission may move the Court to consider all available remedies, including but not limited to ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of the Court's Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1) challenge the validity of this Consent or the Final Judgment; (2) contest the allegations in the Complaint; (3) assert that payment of disgorgement, pre-judgment or post-judgment interest, or a civil penalty should not be ordered; (4) contest the amount of disgorgement or pre-judgment or post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including but not limited to any statute of limitations defense.

7. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

8. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

9. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

10. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

11. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

12. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

13. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability.

Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that he shall not be permitted to contest the factual allegations of the Complaint in this action.

14. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in

this action to the extent that they deny any allegation in the complaint; and (iv) stipulates solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, that the allegations in the complaint are true, and further, that any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under the Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19). If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

15. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

16. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Defendant agrees to cooperate fully and truthfully, regardless of the time period in which

the cooperation is required. The full, truthful, and continuing cooperation of Defendant shall include, but not be limited to:

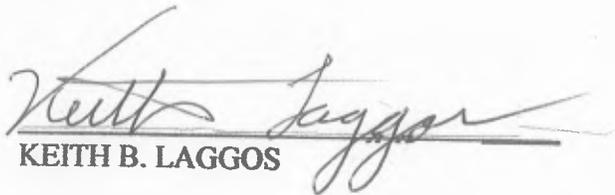
- a. producing all non-privileged documents and other materials to the Commission as requested by counsel for the Commission, wherever located, in the possession, custody, or control of Defendant;
- b. appearing for interviews, at such times and places, as requested by counsel for the Commission;
- c. responding fully and truthfully to all inquiries, when requested to do so by counsel for the Commission, in connection with these proceedings;
- d. testifying in person at trial or other judicial proceedings, and/or via written declaration or affidavit, when requested to do so by counsel for the Commission, in connection with these proceedings;
- e. accepting service by mail or facsimile transmission of notices or subpoenas for documents or testimony at depositions, hearings, trials or in connection with these proceedings;
- f. appointing his undersigned attorney as agent to receive service of such notices and subpoenas;
- g. consenting to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena and waiving the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, when requested to appear by counsel for the Commission.

17. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

18. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated:

2/28/17


KEITH B. LAGGOS

On February 28, 2017, Keith B. Laggos, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



Notary Public

Commission expires: February 17, 2019

State of Illinois
County of Cook

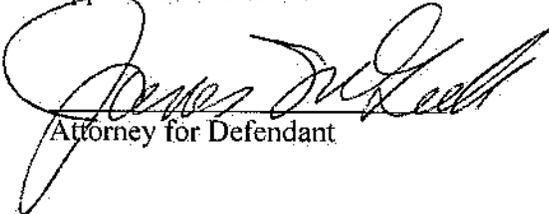
Approved as to form:

Attorney for Defendant

Page 2 of 2
9

Notary Public
Commission expires:

Approved as to form:


Attorney for Defendant

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	
)	
)	
vs.)	Civil Action
)	
KEITH B. LAGGOS,)	No.
)	
Defendant,)	
)	

FINAL JUDGMENT AS TO DEFENDANT KEITH B. LAGGOS

The Securities and Exchange Commission (“Commission”) having filed a Complaint and Defendant Keith B. Laggos having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section

17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 17(b) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(b)] by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from (i) directly or indirectly participating in, or facilitating, the solicitation of any investment in any security or in the offering of any security, and (ii) publishing, giving publicity to, or circulating, any notice, circular, advertisement, newspaper article, letter, investment service, or communication describing a security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter or dealer; provided, however, that such injunction shall not prevent Defendant from purchasing or selling securities listed on a national exchange for his own personal account.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall disclaim and relinquish all legal and equitable right, title, claim, or interest in Rex Venture Group LLC, including: all subsidiaries, whether incorporated or unincorporated; all businesses or business names under which it does business and; and all assets in Rex Venture Group LLC's possession, custody or control, including assets held in accounts in any financial institution.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable to the Commission for disgorgement of \$36,937.50, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$5,316.68, and a civil penalty in the amount of \$36,937.50 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], for a total of \$79,191.68.

Such payments, in accordance with the schedule set forth below in Section VI, shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to Kenneth Bell, Esq., court-appointed Receiver for Rex Venture Group LLC d/b/a ZeekRewards.com; (C) hand-delivered or mailed to Kenneth Bell, Esq. , McGuire Woods, LLP, 201 North Tryon Street, Charlotte, NC 28202-2146; and (D) submitted under cover letter identifying the case title, civil action number, and name of this Court; identifying Laggos as a Defendant in this action; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of his cover letter and evidence of payment to the Commission's counsel in this action: Brian M. Privor, Division of Enforcement, Securities and Exchange Commission, 100 F Street, N.E., Mail Stop 5546, Washington, DC, 20549-5546. By making these payments, Defendant relinquishes all legal and

equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for distributing to injured ZeekRewards investors the disgorgement, interest, and penalties described above. The Court shall retain jurisdiction over the administration of any distribution of the Fair Fund. If the Commission staff determines that the Fund will not be distributed, the Commission shall move the Court to send the funds paid pursuant to this Final Judgment to the United States Treasury.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that [it, he, she] is entitled to, nor shall [it, he, she] further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as

alleged in the Complaint in this action.

VI.

Defendant shall pay the total of disgorgement, prejudgment interest, and penalty due of \$79,191.68 in 4 installments according to the following schedule: (1) \$10,000.00, within 10 days of entry of this Final Judgment; (2) \$23,000, within 180 days of entry of this Final Judgment; (3) \$23,000 within 270 days of entry of this Final Judgment; and (4) \$23,191.68 (plus any remaining accrued interest) within 360 days of entry of this Final Judgment. Payments shall be deemed made on the date they are received by the Receiver and shall be applied first to post judgment interest, which accrues pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 14 days of the entry of Final Judgment. Prior to making the final payment set forth herein, Defendant shall contact the staff of the Commission for the amount due for the final payment.

If Defendant fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including post-judgment interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Court.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the Complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: _____, _____

UNITED STATES DISTRICT JUDGE