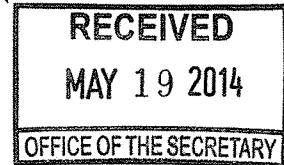


UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING  
File No. 3-15758



In the Matter of

Ads in Motion, Inc., *et. al*,

Respondent.

**DIVISION OF ENFORCEMENT'S MOTION  
FOR SUMMARY DISPOSITION AND BRIEF IN SUPPORT**

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## **MOTION FOR SUMMARY DISPOSITION**

The Division of Enforcement (“Division”), by counsel, pursuant to Rules 154 and 250 of the Commission’s Rules of Practice, respectfully moves for an order of summary disposition against Respondent Premier Beverage Group Holdings Corp. (“PBGC”). There is no genuine issue concerning any material fact, and the Division is entitled, as a matter of law, to an order pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”) revoking the registration of each class of PBGC’s securities registered pursuant to Exchange Act Section 12.

### **BRIEF IN SUPPORT**

#### **I. Statement of Facts**

PBGC is a Nevada corporation located in New York, New York, with a class of securities registered with the Commission pursuant to Exchange Act Section 12(g). (Order Instituting Proceedings (“OIP”), ¶ II.A.1; Excerpts from Form 10-SB12G registration statement for PBGC, filed with the Commission on August 19, 2013, attached as Exhibit 1 to the accompanying Declaration of David S. Frye (“Frye Decl.”).<sup>1</sup> As of February 12, 2014, the common stock of PBGC was quoted on OTC Link, had seven market makers, and was eligible for the “piggyback” exception of Exchange Act Rule 15c2-11(f)(3). Printout from [www.otcquote.com](http://www.otcquote.com) showing PBGC’s trading status as of February 12, 2014. (Frye Decl. Ex. 2).

On October 19, 2011, PBGC (then known as Dam Holdings, Inc.) was the subject of reverse merger which, among other things, changed the company’s name to its current one, gave it a new line of business, gave Fouad Kallamni a controlling interest in the company, and made

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<sup>1</sup> The Division asks that pursuant to Rule of Practice 323, the Court take official notice of this and all other information and filings on EDGAR referred to in this brief or filed as exhibits with the accompanying Declaration of David S. Frye. To reduce the volume of its motion papers, the Division is attaching excerpted copies of certain filings that are accessible, free of charge, on EDGAR at <http://www.sec.gov/edgar/searchedgar/companysearch.html>. In other cases, the Division has presented information derived from the referenced EDGAR documents in tabular form. The Division will provide full copies of any of these documents if requested by the Court or by Respondent.



him president and sole director. PBGC Form 8-K filed on October 24, 2011 at 11 and 12 (Frye Decl. Ex. 3). The following day, Kallamni was issued 31,500,000 shares of PBGC stock, which gave him 51.5% of the outstanding shares of the company. *Id.*, *See also* Stock transfer records of PBGC at Corporate Stock – Page 3 (Frye Decl. Ex. 4). At the time of this transaction, PBGC was current in its filings. Printout from the ThomsonOne database showing all filings for PBGC through May 15, 2014. (Frye Decl., Ex. 5). On April 2, 2012, PBGC filed a Notification of Late Filing on Form 12b-25 for its Form 10-K for the period ended December 31, 2011. (Frye Decl. Ex. 6). There, PBGC stated that it would “file its Form 10-K no later than the fifteenth calendar day following the prescribed due date.” *Id.* The 2011 Form 10-K was not filed within fifteen days of its March 30, 2012 due date – in fact it was not filed until September 13, 2013, more than 18 months after it was due. Chart showing PBGC’s periodic reporting history for all periods from December 31, 2011 through March 31, 2014, inclusive. (Frye Decl. Ex. 7). Since that missed deadline, PBGC has failed to file a single timely periodic report. *Id.*

On May 13, 2013, the Commission’s Division of Corporation Finance (“Corporation Finance”) sent PBGC a delinquency letter by certified mail, return receipt requested, which PBGC received on May 15, 2013. (Frye Decl. Ex. 8). The delinquency letter stated that PBGC appeared to be delinquent in its periodic filings and warned that it could be subject to revocation without further notice if it did not file its required reports within fifteen days of the date of the letter. *Id.* As of the date of the delinquency letter, PBGC had failed to file five consecutive reports. (Frye Decl. Ex. 7).

On May 23, 2013, PBGC faxed a letter to Corporation Finance indicating that it was in the process of obtaining \$150,000 in financing solely to be used to bring the company’s filings current. The letter further stated that the company would be “current with all of its filings no

later than the due date of the second quarter 10-Q (August 15 [2013]).” Letter from PBGC to Corporation Finance, dated May 23, 2013. (Frye Decl. Ex. 9). PBGC also acknowledged the importance of making its filings. *Id.* PBGC failed to make a single filing before its self-defined deadline of August 15, 2013. On that date, PBGC sent a second letter to Corporation Finance stating that it had “nearly completed drafts of our 2012 Form 10-K as well as the Form 10-Qs for the quarters ended March 31, June 30 and September 30, 2012 and March 31 and June 30, 2013.” Letter from PBGC to Corporation Finance, dated August 15, 2013. (Frye Decl. Ex. 10). The letter stated that PBGC expected that “all reports will be filed on or about August 30, 2013.” *Id.* PBGC made the same representation in a Form 8-K filed on August 1, 2013, stating that it expected “to be current in our securities filings no later than the end of August [2013]”. (Frye Decl. Ex. 11). PBGC again failed to meet its own self-defined deadline. (Frye Decl. Ex. 7). On September 5, 2013, PBGC sent a third letter to Corporation Finance, acknowledging that it was “running behind schedule and able to exert only modest influence to speed the process along” and now stating that it had the “expectation that all [missing reports] will be filed no later than the end of this month.” Letter from PBGC to Corporation Finance, dated September 5, 2013. (Frye Decl. Ex. 12). This representation was also repeated in a Form 8-K, filed on September 6, 2013. (Frye Decl. Ex. 13). This deadline, too, went unmet, though the company did make some of its missing filings. By the end of October 2013, PBGC had reduced its number of missing filings from seven to three. (Frye Decl. Ex. 7).

As of February 20, 2014, the date this proceeding was instituted, PBGC remained delinquent in its periodic filings with the Commission, having not filed any periodic reports later than its Form 10-Q for the period ended September 30, 2012. (Frye Decl. Ex. 7). Since

institution, PBGC has made four of its missing filings and has now made all of its periodic filings through and including the period ended September 30, 2013. *Id.*

In its Answer filed in this proceeding, PBGC claimed that it would become current “no later than May 15, 2014.” PBGC Answer at 3. On May 15, 2014, PBGC wrote through its counsel that its Form 10-K for the period ended December 31, 2013 would not be filed until May 27, 2014, and that it would miss the May 15, 2014 filing deadline for its Form 10-Q for the period ended March 31, 2014. Email from Richard Fisher dated May 15, 2014. (Frye Decl. Ex. 14). This brings to ten the total of periodic reporting deadlines missed since PBGC’s current management took control of the company. (Frye Decl. Ex. 7).

On February 20, 2014, the Commission entered an order suspending trading in the securities of PBGC for ten business days. Order of Suspension of Trading in *Ads in Motion, Inc., et al.*, Commission File No. 500-1, Exchange Act Rel. No. 71580 (February 20, 2014) (Frye Decl. Ex. 15)

## **II. Argument**

### **A. Standards Applicable to the Division’s Summary Disposition Motion.**

Rule 250(a) of the Commission’s Rules of Practice permits a party to move “for summary disposition of any or all allegations of the order instituting proceedings” before hearing with leave of the hearing officer. 17 C.F.R. § 201.250(a). Rule 250(b) provides that a hearing officer may grant a motion for summary disposition if there is no genuine issue with regard to any material fact and the party making the motion is entitled to summary disposition as a matter of law. 17 C.F.R. § 201.250(b); *see Michael Puorro*, Initial Decision Rel. No. 253, 2004 SEC LEXIS 1348, at \*3 (June 28, 2004) citing 17 C.F.R. § 201.250; *Garcis, U.S.A.*, Securities

Exchange Act of 1934 Rel. No. 38495, 1997 SEC LEXIS 838 at \*3-\*4 (April 10, 1997)

(granting motion for summary disposition).

As one Administrative Law Judge explained,

By analogy to Rule 56 of the Federal Rules of Civil Procedure, a factual dispute between the parties will not defeat a motion for summary disposition unless it is both genuine and material. See *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 247-48 (1986). Once the moving party has carried its burden, 'its opponent must do more than simply show that there is some metaphysical doubt as to the material facts.' *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). The opposing party must set forth specific facts showing a genuine issue for a hearing and may not rest upon the mere allegations or denials of its pleadings. At the summary disposition stage, the hearing officer's function is not to weigh the evidence and determine the truth of the matter, but rather to determine whether there is a genuine issue for resolution at a hearing. See *Anderson*, 477 U.S. at 249.

*Edward Becker*, Initial Decision Rel. No. 252, 2004 SEC LEXIS 1135, at \*5 (June 3, 2004).

This proceeding was instituted under Section 12(j) of the Exchange Act. Section 12(j) empowers the Commission to either suspend (for a period not exceeding twelve months) or permanently revoke the registration of a class of securities "if the Commission finds, on the record after notice and opportunity for hearing, that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder." It is appropriate to grant summary disposition and revoke a registrant's registration in a Section 12(j) proceeding when, as here, there is no dispute that the registrant has failed to comply with Section 13(a) of the Exchange Act. See *California Service Stations, Inc.*, Initial Decision Rel. No. 368, 2009 SEC LEXIS 85 (Jan. 16, 2009); *Ocean Resources, Inc.*, Initial Decision Rel. No. 365, 2008 SEC LEXIS 2851 (Dec. 18, 2008); *Wall Street Deli, Inc.*, Initial Decision Rel. No. 361, 2008 SEC LEXIS 3153 (Nov. 14, 2008); *AIC International, Inc.*, Initial Decision Rel. No. 324, 2006 SEC LEXIS 2996 (Dec. 27, 2006); *Bilogic, Inc.*, Initial Decision Rel. No. 322, 2006 SEC LEXIS 2596, at \*12 (Nov. 9, 2006).

**B. The Division is Entitled to Summary Disposition  
Against PBGC for Violations of Exchange Act  
Section 13(a) and Rules 13a-1 and 13a-13 Thereunder.**

Section 13(a) of the Exchange Act and the rules promulgated thereunder require issuers of securities registered pursuant to Section 12 of the Exchange Act to file periodic and other reports with the Commission. Exchange Act Section 13(a) is the cornerstone of the Exchange Act, establishing a system of periodically reporting core information about issuers of securities.

The Commission has stated:

Failure to file periodic reports violates a central provision of the Exchange Act. The purpose of the periodic filing requirements is to supply investors with current and accurate financial information about an issuer so that they may make sound decisions. Those requirements are “the primary tool[s] which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities.” Proceedings initiated under Exchange Act Section 12(j) are an important remedy to address the problem of publicly traded companies that are delinquent in the filing of their Exchange Act reports, and thereby deprive investors of accurate, complete, and timely information upon which to make informed investment decisions.

*Gateway*, Securities Exchange Act Rel. No. 53907, 2006 SEC LEXIS 1288 at \*26 (quoting *SEC v. Beisinger Indus. Corp.*, 552 F.2d 15, 18 (1<sup>st</sup> Cir. 1977)).

As explained in the initial decision in the *St. George Metals, Inc.* administrative proceeding:

Section 13(a) of the Exchange Act and the rules promulgated thereunder require issuers of securities registered pursuant to Section 12 of the Exchange Act to file periodic and other reports with the Commission. Exchange Act Rule 13a-1 requires issuers to submit annual reports, and Exchange Act Rule 13a-13 requires issuers to submit quarterly reports. No showing of scienter is necessary to establish a violation of Section 13(a) or the rules thereunder.

*St. George Metals, Inc.*, Initial Decision Rel. No. 298, 2005 SEC LEXIS 2465, at \*26 (Sept. 29, 2005); accord *Gateway Int’l Holdings, Inc.*, Securities Exchange Act Rel. No. 53907, 2006 SEC LEXIS 1288 (May 31, 2006) at \*18, \*22 n.28; *Stansbury Holdings Corp.*, Initial Decision Rel.

No. 232, 2003 SEC LEXIS 1639, at \*15 (July 14, 2003); and *WSF Corp.*, Initial Decision Rel. No. 204, 2002 SEC LEXIS 1242 at \*14 (May 8, 2002).

There is no dispute that PBGC failed to timely file ten consecutive periodic reports, and has still not filed two periodic reports, including its annual report on Form 10-K for the period ended December 31, 2013 and its quarterly report on Form 10-Q for the period ended March 31, 2014. Thus, there is no genuine issue of material fact as to PBGC's violations of Exchange Act Section 13(a) and the rules thereunder, and the Division is entitled to summary disposition as a matter of law.

**C. Revocation is the Appropriate Sanction for PBGC's Serial Violations of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 Thereunder.**

Exchange Act Section 12(j) provides that the Commission may revoke or suspend a registration of a class of an issuer's securities where it is "necessary or appropriate for the protection of investors." The Commission's determination of which sanction is appropriate "turns on the effect on the investing public, including both current and prospective investors, of the issuer's violations, on the one hand, and the Section 12(j) sanctions on the other hand." *Gateway*, 2006 SEC LEXIS 1288, at \*19-\*20. In making this determination, the Commission has said it will consider, among other things: (1) the seriousness of the issuer's violations; (2) the isolated or recurrent nature of the violations; (3) the degree of culpability involved; (4) the extent of the issuer's efforts to remedy its past violations and ensure future compliance; and (5) the credibility of the issuer's assurances against future violations. *Id.*; see also *Steadman v. SEC*, 603 F.2d 1126, 1140 (5th Cir. 1979) (setting forth the public interest factors that informed the Commission's *Gateway* decision). Although no one factor is controlling, *Stansbury*, 2003 SEC LEXIS 1639, at \*14-\*15; and *WSF Corp.*, 2002 SEC LEXIS 1242 at \*5, \*18, the Commission

has stated that it views the “recurrent failure to file periodic reports as so serious that only a strongly compelling showing with respect to the other factors we consider would justify a lesser sanction than revocation.” *Impax Laboratories, Inc.*, (“*Impax*”), Exchange Act Rel. No. 57864, 2008 SEC LEXIS 1197 at \*27 (May 23, 2008). An analysis of the factors above confirms that revocation of the Respondent’s securities is appropriate.

While PBGC has made the filings that were missing at the outset of this proceeding, it has since missed two more filing deadlines, and thus is still delinquent by two periodic reports. In any case, a 12(j) proceeding is not an invitation for delinquent filers to catch-up; it is a remedial action to protect investors from conduct that strikes at the very core of investor protection – failure to make full, accurate, and timely disclosure.

**1. PBGC’s violations are serious and egregious.**

As established by the record in this proceeding, the violative conduct of PBGC is serious and egregious. None of the ten periodic reports due during the tenure of PBGC’s current management have been timely filed. (Frye Decl. Ex. 7). When this proceeding was instituted, the company was a full year behind in its periodic reports and, notwithstanding the three recent filings, is still missing two periodic reports. Moreover, little credit is given to registrants that ignore their filing requirements and then hurriedly become current during a Commission proceeding. As Judge Foelak recently noted in revoking the registration of a delinquent registrant that became current after institution of a 12(j) proceeding, “dismissal or a lesser sanction [than revocation] would reward issuers who fail to file required periodic reports over an extended period and become current only after enforcement proceedings are brought against them, essentially providing an automatic lengthy postponement of the prescribed filing dates for such issuers to the detriment of the public interest and investors.” *Law Enforcement Associates Corp., et al. [as to Sonnen Corp.]*, (“*Sonnen*”) Initial Decision Rel. No. 487, 2013 SEC LEXIS

1436 at \*12-\*13 (May 15, 2013). See also *Tamir Biotechnology, Inc.*, Initial Decision Rel. No. 488, 2013 SEC LEXIS 1489 LEXIS at \*3-\*4 (May 22, 2013) (Elliot, ALJ) (issuer's registration revoked where it was less than two year's delinquent and brought itself current after institution). Given the central importance of the reporting requirements imposed by Section 13(a) and the rules thereunder, Administrative Law Judges have found delinquencies of lesser duration than PBGC's to warrant revocation. *WSF Corp.*, 2002 SEC LEXIS 1242 at \*14 (one Form 10-K and three Forms 10-Q); *Freedom Golf Corp.*, Initial Decision Release No. 227, 2003 SEC LEXIS 1178, at \*5 (May 15, 2003) (one Form 10-K and one Form 10-Q); *iBIZ Technology Corp.*, Initial Decision Rel. No. 312, 2006 SEC LEXIS 1406 at \*1 (June 16, 2006) (one Form 10-K and two Forms 10-Q); and *Stansbury Holdings Corporation*, 2003 SEC LEXIS 1639, at \*1 (one Form 10-K and two Forms 10-Q).

**2. PBGC's violations of Section 13(a) have been not just recurrent, but continuous.**

PBGC's violations are not unique and singular, but continuous. Since current management took control of the company, PBGC has yet to file a timely periodic report. PBGC also filed only one of the ten required Forms 12b-25 seeking extensions of time to make its periodic filings. (Frye Decl., Ex. 7). See *Investco, Inc.*, Initial Decision Rel. No. 240, 2003 SEC LEXIS 2792, at \*6 (Nov. 24, 2003) (delinquent issuer's actions were found to be egregious and recurrent where there was no evidence that any extension to make the filings was sought). The serial and continuous nature of PBGC's violations of Exchange Act Section 13(a) further support the sanction of revocation here.

**3. PBGC's violations suggest a high degree of culpability.**

For many of the same reasons that PBGC's violations were long-standing and serious, they suggest a high degree of culpability. Indeed, that culpability is particularly demonstrated by



the fact that PBGC has never made a timely filing under current management and, as detailed above, has repeatedly failed to meet its own self-defined deadlines for bringing itself current.

The Commission found that the delinquent issuer in *Gateway* “evidenced a high degree of culpability,” because it “knew of its reporting obligations, yet failed to file” twenty periodic reports and only filed two Forms 12b-25. *Gateway*, Exchange Act Rel. No. 53907, at 10, 2006 SEC LEXIS 1288, at \*21. Similar to the respondent in *Gateway*, PBGC’s current management knew of its reporting obligations, yet only filed one of the ten Forms 12b-25 required during its tenure, and has yet to file a timely periodic report. (Frye Decl. Ex. 7). Because PBCG knew of its reporting obligations and nevertheless failed to file timely periodic reports and repeatedly failed to file required Notifications of Late Filing, it has shown more than sufficient culpability to support a grant of the Division’s requested sanction of revocation.

**4. The Respondent’s degree of culpability, including its violations of Exchange Act Sections 14(a) and 14(c), Exchange Act Rules 12b-25 and 13a-11, and its officer’s violations of Sections 16(a) and 13(d) of the Exchange Act, supports revocation.**

Moreover, as shown below, the officers, and director and the president and principal shareholder of PBCG, are in violation of their individual reporting requirements under Exchange Act Sections 16(a) and 13(d) and the rules thereunder. These violations, along with PBCG’s violations of Exchange Act Sections 14(a) and/or 14(c), and Exchange Act Rules 12b-25 and 13a-11, although not alleged in the OIP, provide further evidence of the company’s culpability that the Court can and should consider when assessing the appropriate sanction for PBCG’s violations. *See Gateway* at 5, n.30 (Commission may consider other violations “and other matters that fall outside of the OIP in assessing appropriate sanctions”); *Citizens Capital Corp.*, Exchange Act Rel. No. 67313, 2012 SEC LEXIS 2024 at \*32 (June 29, 2012) (management’s failure to comply with Exchange Act Sections 13(d) and 16(a) “further brings into question the

likelihood of the Company's future compliance with Section 13(a)"); *Ocean Resources, Inc.*, 2008 SEC LEXIS 2851 at \*15 (ALJ found on summary disposition that respondent's assurances of future compliance achieved little credibility where its sole officer had ongoing violations of Exchange Act Section 16(a) in both the respondent's and other companies' securities).<sup>2</sup>

**a. Section 14(a) and/or 14(c) Violations by PBGC**

PBGC failed to comply with Exchange Act Sections 14(a) and/or 14(c) and rules thereunder because it failed to file its required proxy statements. Under Nevada law, PBGC is required to elect at least one-fourth of its directors annually. NEV. REV. STAT. ANN. § 78.330 (West 2013). If PBGC solicited proxies from shareholders for any matter, it was required to file a proxy statement with the Commission pursuant to Exchange Act Section 14(a) and Rule 14a-3 thereunder. If PBGC instead obtained the consent of shareholders for any matter, it was required to file an information statement with the Commission pursuant to Exchange Act Section 14(c) and Rule 14c-2 thereunder. The only filings of this nature during the tenure of current management were preliminary and definitive information statements filed on July 1, and July 15, 2013, respectively; however, these documents did not relate to the election of directors, and did not meet PBGC's obligations concerning disclosures about the election of directors. (Frye Decl. Exs. 16 and 17, respectively).

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<sup>2</sup> The Commission has applied the same principle in other contexts. *Robert Bruce Lohmann*, Exchange Act Rel. No. 48092, 2003 SEC LEXIS 1521 at \*17 n.20 (June 26, 2003) (ALJ may properly consider lies told to staff during investigation in assessing sanctions, though they were not charged in the OIP); *Stephen Stout*, Exchange Act Rel. No. 43410, 2000 SEC LEXIS 2119 at \*57 & n.64. (Oct. 4, 2000) (respondent's subsequent conduct in creation of arbitration scheme, which was not charged in OIP, found to be relevant in determining whether bar was appropriate); *Joseph P. Barbato*, Exchange Act Rel. No. 41034, 1999 SEC LEXIS 276 at \*49-50 (Feb. 10, 1999) (respondent's conduct in contacting former customers identified as Division witnesses found to be indicative of respondent's potential for committing future violations). See also *SEC v. Falstaff Brewing Corp.*, 629 F.2d 62, 78 (D.C. Cir. 1980) (district court's injunction against future securities violations upheld; court found noncompliance with Exchange Act Section 16(a) "does evince a disregard of the securities laws that may manifest itself in noncompliance elsewhere.")

**b. Failure to file Forms 12b-25**

PBGC's current management has filed but one of the ten Notifications of Late Filings on Form 12b-25, as required by Exchange Act Rule 12b-25 that came due on its watch. (Frye Decl. Exs. 5 and 7). This failure further supports the sanction of revocation. *Calais Resources, Inc.*, Exchange Act Rel. No. 67312, 2012 SEC LEXIS 2023 at \*16-\*17 (June 29, 2012) (failure to file Forms 12b-25 cited as additional evidence of culpability).

**c. Failure to file Form 8-K on Appointment of Chief Financial Officer**

According to both its website and the Nevada Secretary of State's website, on or before November 21, 2013, PBGC appointed Jon Buttles as its treasurer and chief financial officer. Screenshots of Nevada Secretary of State website for PBGC as of November 21, 2013 and May 14, 2014. (Frye Decl. Exs. 18 and 19). Screenshot of PBGC "Our Team" page from PBGC's website, printed on May 14, 2014. (Frye Decl. Ex. 20). Company Presentation dated December 2011, downloaded from PBGC's Website on May 16, 2014, at 4. (Frye Decl. Ex. 21) (states that Buttles is "[r]esponsible for financial operations and capital strategies."). Item 5.02(c) of 8-K, promulgated under Exchange Act Rule 13a-11, states that "[i]f [a] registrant appoints a new . . . principal financial officer, principal accounting officer . . . or person performing similar functions," the registrant must file a Form 8-K that discloses the new person's name and position, along with other information required by Item 401(b) [name, age, positions held, period of service, arrangements or understandings concerning service], Item 401(d) [family relationships with other officers or directors], Item 401(e) [business experience] and Item 404(a) [certain transactions involving the issuer and the officer] of Regulation S-K. Furthermore, Instruction B-1 of Form 8-K requires this disclosure of a new appointment within four business days of the appointment. PBGC never filed an 8-K disclosing Mr. Buttles' appointment and

thereby failed to comply with Exchange Act Section 13(a) and Rule 13a-11 thereunder. (Frye Decl. ¶ 19 and Ex. 5).

**d. Exchange Act Section 16(a) Violations of Fouad Kallamni**

In general, Exchange Act Section 16(a) and the rules and forms thereunder require officers, directors, and ten percent beneficial owners of the equity securities of a registrant to disclose (1) their status as such on Form 3 within ten days of the event; (2) changes to their status and/or their beneficial ownership on Form 4 by the end of the second business day following the change; and (3) an annual statement of beneficial ownership on Form 5 within forty five days of the end of the issuer's fiscal year. As noted, Fouad Kallamni became president and majority shareholder of PBGC in October 2011. He owned 31,500,000 shares of PBGC common stock as of October 20, 2011, representing 51.5% of the outstanding shares. Excerpts from PBGC Form 8-K filed on October 24, 2011. (Frye Decl. Ex. 3 at 11). Mr. Kallamni violated Exchange Act Section 16(a) and Rules 16a-2 and 16a-3 thereunder by failing to file a Form 3 disclosing his stock ownership and status as a company officer. (Frye Decl. ¶ 20 and Ex. 5).

Failure to file the Form 3 triggered a requirement that Mr. Kallamni file a Form 5 within forty-five days following each of the fiscal years ended during which Mr. Kallamni had unreported holdings or transactions in PBGC stock provided he was still an officer, director, or beneficial owner of greater than ten percent of the company's outstanding shares. Mr. Kallamni has never filed a Form 5 for PBGC, in violation of Exchange Act Section 16(a) and the rules thereunder. (*Id.*)

**e. Section 16(a) Violations of Richard Fisher and Jon Buttles**

In addition to Jon Buttles' being identified as the treasurer, the website of the Nevada Secretary of State identifies Richard Fisher as secretary of the company (Frye Decl. Exs. 18-19), and the PBGC website identifies Fisher as the company's counsel. (Frye Decl. Exs. 20-21).

While we do not know the exact dates of their respective appointments, the fact that their designation appeared on the Nevada state website on or before November 21, 2013 indicates that it occurred no later than that date. Messrs. Buttles and Fisher were each required to file a Form 3 within ten days of their appointment, which they failed to do. They also each failed to file a Form 5 within 45 days of the end of Calendar Year 2013 disclosing their appointments. (Frye Decl. ¶ 20 and Ex. 5). Thus, Messrs. Buttles and Fisher each failed to comply with the requirements of Exchange Act Section 16(a) and the rules thereunder.

**f. Section 13(d) Violations of Fouad Kallamni**

In general, Section 13(d) requires a five percent beneficial owner of the outstanding shares of a Section 12 registered class equity securities to, within ten days of attaining such status, file a Schedule 13D or 13G. As noted, on October 20, 2011, Mr. Kallamni acquired 31,500,000 shares of PBGC common stock, which represented 50.3% of the outstanding shares of the company. Mr. Kallamni has never filed a Schedule 13D concerning his holdings in PBGC common stock. (Frye Decl. ¶ 20 and Ex. 5). By failing to do so, Mr. Kallamni violated Exchange Act Section 13(d) and Rule 13d-1 thereunder.

**5. PBGC's efforts to remedy its past violations and ensure future compliance are too little and too late.**

The remaining *Gateway* factors concerning PBGC's remedial efforts – while arguably providing some support for PBGC's position – still fall far short of the “strongly compelling” showing required to avoid a sanction. *Impax*, 2008 SEC LEXIS 1197 at \*27. As noted above, since the filing of the OIP, PBGC has taken some steps to cure its deficiency. But aside from falling short of making all of its delinquent reports, these efforts are simply too little and too late.

Clearly, PBGC has proven itself to be incapable of meeting its obligation as a Section 12 registrant with any measure of responsibility. This administrative proceeding is not a 120-day

extension of time for PBGC to file delinquent reports, though that is exactly what PBGC used this proceeding to do. *Citizens Capital Corp.*, Initial Decision Rel. No. 433, 2011 SEC LEXIS 3307 at \*18-\*19 (Sept. 23, 2011), *revoked on Commission review*, Exchange Act Rel. No. 67313, 2013 SEC LEXIS 2024 (June 29, 2012). “[T]his proceeding is to determine whether violations have occurred, and whether it is necessary and appropriate for the protection of investors to suspend or revoke the registrations of’ PBGC’s securities. *Id.* PBGC’s hurried, catch-up filings only inform a portion of that analysis.

**6. PBGC’s assurances against future violations are not credible.**

PBGC’s track record and recent financial disclosures undermine the credibility of any assurances it might make of future compliance. As discussed above, under PBGC’s current management, none of the ten periodic reports coming due on its watch have been timely filed, and two reports have not been filed at all. Moreover, PBGC has not had a profitable quarter since current management gained control of the company: instead the trend of revenues has been stagnant and losses have been substantial. Chart of revenue and losses for PBGC for the periods ended December 31, 2011 through June 30, 2013, inclusive (Frye Decl. ¶ 25 and Ex. 22). PBGC has relied on infusions of cash from stock and note issuances to meet its expenses. Chart of cash flows from operations and from financing activities for the periods ended December 31, 2011 through September 30, 2013. (Frye Decl. ¶ 26 and Ex. 23). Thus far, PBGC’s financial performance, as disclosed in its late filings, shows no evidence of a viable operating model. PBGC has repeatedly promised compliance and failed to meet its own deadlines, much less the deadlines mandated by the Exchange Act. PBGC’s behavior and performance over the past two and a half years give no indication that it will perform any better in the future.

**D. Revocation is the Appropriate Remedy for PBGC.**

As discussed above, a full analysis of the *Gateway* factors establishes that revocation is the appropriate remedy for PBGC's numerous and repeated violations. Its recurrent failures to file its periodic reports have not been outweighed by "a strongly compelling showing with respect to the other factors" which "would justify a lesser sanction than revocation." *Impax*, 2008 SEC LEXIS 1197 at \*27. Revocation here would reinforce the crucial deterrent function of the delinquent filings program. As the Commission has noted, the failure to sanction companies that make some or all of their delinquent filings after institution of an administrative proceeding "would reward those issuers who fail to file required periodic reports when due over an extended period of time, become the subject of Exchange Act Section 12(j) revocation proceedings, and then, on the eve of hearings before the law judge or, in this case, oral argument on appeal, make last-minute filings in an effort to bring themselves current with their reporting obligations, while prolonging indefinitely the period during which public investors would be without accurate, complete, and timely reports (that comply with the requirements of the Exchange Act and its rules and regulations) to make informed investment decisions." *Nature's Sunshine Products, Inc.*, Exchange Act Rel. No. 59268, 2009 SEC LEXIS 81 at \*34 (Jan. 21, 2009). Making an exception in PBGC's case would weaken the deterrent effect of the delinquent filings program.

In any case, revocation will not be overly harmful to whatever business operations, finances, or shareholders PBGC may now have. Revocation will not cause PBGC to cease being whatever kind of company it was before its securities registration was revoked. *See Eagletech Communications, Inc.*, Exchange Act Rel. No. 54095, 2006 SEC LEXIS 1534, at \*9 (July 5, 2006) (revocation would lessen, but not eliminate, shareholders' ability to transfer their securities). Moreover, a revocation order does not prevent PBGC from filing a new Exchange Act Section 12 registration statement if it desires to again become publicly-traded.

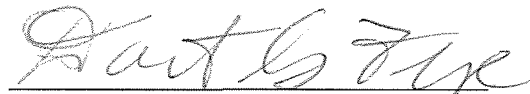
As with *Sonnen*, a dismissal or a lesser sanction than revocation for PBGC would reward PBGC for failing to file its required periodic reports over an extended period of time, “essentially providing an automatic lengthy postponement of the prescribed filing dates for such issuers to the detriment of the public interest and investors.” *Sonnen*, 2013 SEC LEXIS 1436 at \*12-\*13.

**III. Conclusion**

For the reasons set forth above, the Division respectfully requests that the Administrative Law Judge return an initial decision revoking the registration of each class of PBGC’s securities registered under Exchange Act Section 12.

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Respectfully submitted,



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