UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

NOVEMBER 11, 2014

AMINISTRATIVE PROCEEDING
File No. 3-15764

In the Matter of GARY L. MCDUFF Respondent	RULE 360(b) PETITION FOR REVIEW OF THE INITIAL DECISION

I, Gary Lynn McDuff for Respondent, do hereby file this PETITION FOR REVIEW OF THE INITIAL DECISION of this court rendered on September 5, 2014, followed by Respondent's October 17, 2014 MOTION TO CORRECT MANIFEST ERRORS OF FACT decided by this Honorable Court on October 21, 2014. A "PETITION FOR REVIEW" of this court's "FINAL DECISION" falls due on or before November 11, 2014. That being Veteran's Day, the due date is therefore November 12, 2014. See Arrendondo v. Flores 2008 US Dist. 5th LEXIS 65713. FRcvP Rule 6(b)(1)(A) & (B).

Federal Rules of Evidence are not applicable to proceedings before administrative agencies (McMorrow v. Schweiker, 1982 DC NJ, 561 F.Supp 584) and therefore, the Administrative Procedure Act 5 USCS 556(d) only requires that "the evidence be reliable, probative, and substantial." The recently uncovered "fraud-on-this-court", as well as the federal district courts in the Northern and Eastern district of Texas, by the government using the same untruths through suborned perjury justifies granting this petition. See paragraph 12 on page 6 of Respondent's "MOTION FOR ORDER TAKING OFFICIAL NOTICE" filed by Respondent in

this Administrative Proceeding File No. 3-15764. Paragraphs 1 through 13. of the "STATEMENT OF FACTS" within that document, outline these controlling, unrebutted facts.

The "LEGAL AUTHORITY", "LAW IN SUPPORT" and "RESPONDENT'S ENTITLEMENT", is reflected in full within that MOTION document. Newly discovered fraud-on-the-court by the government vitiates the underlying criminal conviction and civil judgment making them as void as if they never existed.

That is justification for this court to decide to suspend any enforcement action until the current Appeal of those cases is complete based on the substantial ground of fraud-on-the-court and a clear due-process denial. The Commission nor the public will suffer any potential harm by staying any action in this case against Respondent in light of the fact that public policy's greatest objective is to protect the public from prosecution if there is reasonable doubt of their guilt. Second it the public policy to punish those that are guilty beyond a reasonable doubt, or at a minimum, by clear and convincing evidence having more weight on balance than any exculpatory evidence.

In the most aggressive and egregious effort of all to persuade the court that the SEC version of the truth crafted by receiver Michael Quilling, Julia Huseman and Ronald Loecker in 2005-2006, despite the intervening gathering of proof showing the opposite, SEC employee Jessica MaGee was called as a government witness on March 27, 2014 to commit an unparalleled level of suborned perjury in open court before Judge Richard Schell and an empaneled jury. Her misrepresentations and purposeful omissions of fact were as follows:

DIRECT EXAMINATION OF JESSICA MAGEE BY THE GOVERNMENT

Page 314, lines 16-25 she says her tenure with the SEC began two years prior to March of 2011. That would place her as beginning on or about March of 2009, which makes it improbable that she was involved in any of the investigation work done in the Megafund or Lancorp Fund cases that were already completed in 2008 in relation to all civil and criminal matters. Therefore, she could not have had direct knowledge of the matters she testified about, or could not have been

the best source of evidence available to the government, therefore, making her testimony double hearsay.

Page 315, lines 12-25 and pages 316, 317, and 318 she says that she checked the registration status of the ["Lancorp Fund"] and found that it "*was not and never was registered with the United States Securities and Exchange Commission... it did not ever register any offering of securities that it offered or sold to the public... based on the Commission's analysis... the Commission determined that the [Lancorp Fund] was not registered with the Commission and... alleged that it was not exempt from registering... that no exemption applied to the Lancorp Fund and... had not adequately claimed any such exemption... that there were more than 35 unaccredited investors....was making a general solicitation [advertising] for investment as opposed to a targeted solicitation... so, in plain English, the Lancorp Fund should have been subject to SEC scrutiny, but it was not.*"

Then, she goes on to say that she checked the registration status with the Commission to determine whether Mr. McDuff was registered and found that he "was not and is not", and that she made the same determination regarding Robert Reese and Gary Lancaster.

Her answer to the final question articulated an extraordinary measure of prejudicial persuasion and was clearly designed to inflame the passions of the jury, instead of telling them the simple truth. The question and answer was as follows:

Q. *"So, in the case of not registered, that means..."*

A. *"If the entity is not registered and does not satisfy an exemption, which it did not, then it is not permitted to conduct the business of offering and selling securities. If the person is not registered, then they are not permitted to conduct themselves as a person who is registered, by giving investment advice or acting as a broker-dealer".*

More condemning words could not have been spoken for jurors to hear and be persuaded that the "Lancorp Fund" and McDuff, together with Reese and Lancaster were so far out of compliance with SEC laws that they simply must be bad men who were guilty of every

allegation. Her words would have been proper, had they been the truth. Instead, they were skillfully woven with grains of actual truth, pebbles of accurate fact, boulders of misinformation, and mountains of omissions. Her testimony misled the jury, deprived them of the true and complete facts they were entitled to hear from an honest public servant so they could be fully informed; and she violated her oath to protect the constitution and the due-process it affords to members of the public entitled to that protection.

Her lack of explaining to the jury that there were two Lancorp Funds is the same failure the SEC made in its 2008 COMPLAINT and affidavit in the federal civil court to initiate this action. She allowed the judge, jury, and even the defendant to believe there was only one Lancorp Fund. That, of course is not true. If she had told the complete story, everyone would have been properly informed as to how, when, why, where, and by whom each Lancorp Fund was formed.

Omission of this crucial information in the SEC v. GARY L. MCDUFF case caused the court to presume guilt, as did this reviewing court in its reliance on the same presumption of facts, which are now known to be patently false.

The Lancorp Fund #2 was indeed a non-compliant Reg. D 506 private placement fund that contained incomplete, inaccurate, misleading and false information. It was never filed with the Commission via FORM D and lacked the components required by the Commission to qualify for exempt private placement status, and by law, it should have been registered as a public offering before selling shares in it to non-accredited investors. SEC criticism of that fund and Mr. Lancaster for how it was formed and used by him is proper and deserved. To boldly declare that those same shortcomings applied to the Lancorp Fund #1 is untruthful by any measure. It is not proper to claim McDuff participated in or knew of any of this wrongdoing, when the SEC knew MCDUFF had never been told by Lancaster of the existence of Fund #2.
The records of Lancorp Fund #1 reflected the precise and accurate maximum number of accredited and non-accredited investors it had at any time during its existence. They showed not more than 99 at any one time, of which not more than 35 were non-accredited. That count was exceeded by combining the number of investors in both Fund #1 and Fund #2, so it was

deceptive to allow the court [and this Court] to believe there was only one Lancorp Fund accepting investors into it. Fund #2 was not even created until June 1, 2005, when McDuff was completely unaware of it. Nor was McDuff ever aware of the August 31, 2005 Cash Management Agreements that Lancaster created without the assistance of counsel, into which Lancaster moved Fund #2 customer monies.

The records in the Washington SEC offices confirm that attorney Norman Reynolds of the Glast Phillips & Murray law firm filed FORM D with the Commission for Lancorp Fund #1 dated March 17, 2003; and that no such filing was done with the Commission for the Lancorp Fund #2 dated June 1, 2005. It shows that Fund #1 contained every Reg. D 506 component required by the Commission to qualify as an exempt from registration private placement offering. This Court and the two other federal courts that reviewed the "Lancorp" matter were never informed by the SEC of this important fact. Instead, they chose to subvert and confuse the courts [and McDuff], by making the claim that it was a fact that the Lancorp Fund was not "registered", but should have been. That was not true regarding Lancorp Fund #1. It was Reg. D compliant from inception until Lancaster moved money out of it into Fund #2 and into four Cash Management Agreements. McDuff was never made aware of the Fund #2, or the Cash Management Agreements. Had this court, and the other courts, been provided with this distinguishing set of facts revealing that there were two Lancorp Funds that did very different things with investor money, and that McDuff had nothing to do with Fund #2, the allegations made against him would not have been provable.

Lancorp Fund #1 was properly filed with the Commission, and it boldly stated that:

- THERE IS NO PUBLIC OR OTHER MARKET FOR THE INVESTOR SHARES…
- THE INVESTOR SHARES HAVE NOT BEEN REGISTERED UNDER THE 1933 ACT OR THE SECURITIES LAWS OF ANY STATE…
- IN THE EVENT OF ANY MATERIAL CHANGES DURING THIS OFFERING, THIS MEMORANDUM WILL BE AMENDED…
- NO ASSURANCE CAN BE GIVEN THAT ANY OF THE POTENTIAL BENEFITS DESCRIBED IN THIS MEMORANDUM WILL PROVE TO BE AVAILABLE.

- THE INVESTMENT DESCRIBED HEREIN INVOLVES SUBSTANTIAL RISKS INCLUDING:

  (i) LIMITED OPERATING HISTORY
  (ii) ARBITRARY OFFERING PRICE
  (iii) SIGNIFICANT RESTRICTIONS ON TRANSFERABILITY
  (iv) ABSENCE OF PROFITABLE OPERATIONS
  (v) POTENTIAL COMPETITION
  (vi) POSSIBLE RISK OF LOSS OF ENTIRE INVESTMENT

- THE INVESTOR SHARES HAVE NOT BEEN REGISTERED UNDER THE 1933 ACT, AND ARE BEING OFFERED PURSUANT TO THE PRIVATE PLACEMENT EXEMPTIONS PROVIDED BY SECTION 4 (2) AND RULE 506 OF REGULATION D OF THE 1933 ACT IN THAT THE OFFERING OF SUCH SECURITIES IS BEING MADE IN A TRANSACTION BY AN ISSUER NOT INVOLVING ANY PUBLIC OFFERING OR SOLICITATION OR ADVERTISEMENT TO PERSONS WHO WILL ACQUIRE THE SECURITIES FOR INVESTMENT PURPOSES ONLY... TO PURCHASERS WHO ARE ABLE TO ASSUME THE RISKS INCIDENT TO SUCH SECURITIES."

In addition to the above notices, each investor in the Lancorp Fund #1 signed a subscription agreement making the following specific declarations:

"1. Purchaser Questionnaire. In order to qualify as an investor under Securities and Exchange Commission Regulation D, you must demonstrate that you have or your Purchaser Representative has such knowledge and experience in business and financial matters that you or your Purchaser Representative has such knowledge and experience in business and financial matters that you are capable of evaluating the merits and risks of this investment. Please answer each question. Complete the proper signature page. [Purchaser Representative, Accredited Investor, Non-Accredited Investor].

Representations and Warranties. The undersigned [investor/subscriber] represents and warrants as follows:

- No oral representations have been made or oral information furnished to the undersigned or his advisors in connection with the Offering of the Shares were in any way inconsistent with the information furnished.
- The undersigned, at the present time, could afford a complete loss of such investment,
- Recognizes that the Trust has a limited financial and operational history and no history of profitable operations,
- The undersigned understands that the Shares have not been nor will be registered under the Securities Act or the securities laws of any state, in reliance upon an exemption therefrom for non-public offerings.
- The undersigned...have such knowledge and experience to enable him to utilize the information made available, to evaluate the merits and risks of the prospective investment and to make an informed investment decision...
- All information, which the undersigned has provided to the Trust concerning himself, his financial position, and his knowledge of financial and business matters, is correct and complete, ... and if there should be any adverse change in such information prior to his subscription being accepted, he will immediately provide the Trust with such information.
- The undersigned understands that:

No assurances are, or have been made, concerning the distribution of profits to the Trust's investors; and is aware that it never has been represented, guaranteed, or warranted to him by the Trust, its directors, officers, agents, or employees, or any other person, expressly or by implication, as to ...the percentage of profit and/or amount of or type of consideration, profit or loss to be realized, if any, as a result of this investment; or that the limited past performance or experience on the part of the Trust [Trustee(s)] , or any future projection will in any way indicate the predictable results of the ownership of the Shares or of the overall financial performance of the Trust.

Survival. The foregoing representations, warranties and undertakings are made with the intent that they may be relied upon in determining the undersigned's suitability as an investor in the Trust...and that this Subscription Agreement shall survive (a) changes in the transactions, documents, and instruments previously furnished to the undersigned which are not materially adverse, and (b) the undersigned's death or disability.

And... subject to any applicable limitations herein, the 1940 Act, the Bylaws, or resolutions of the Trust, The Trustees [Lancaster] shall have power and authority, without limitation. Any action by one or more of the Trustees [Lancaster] in their capacity as such hereunder shall be deemed an action on behalf of the Trust... and not an action in an individual capacity ... Provided they have exercised reasonable care and have acted under the reasonable belief that their actions are in the best interests of the Trust, the Trustees and officers of the Trust shall not be responsible or liable for any act or omission or for the neglect or wrongdoing of them or any officer, agent, employee, investment advisor or independent Contractor of the Trust. The exercise by the Trustees of their powers and discretion hereunder in good faith and with reasonable care under the circumstances then prevailing shall be binding upon everyone interested ... the Trustees shall not be liable for errors of judgment or mistakes of fact or law. The Trustees may take advice of counsel or other experts with respect to the meaning and operation of this Declaration of Trust ... and ... shall not be liable for any act or omission in accordance with such advice or for failing to follow such advice."

The PPM goes on to state that no indemnification shall be provided to a Trustee (the "Covered Person") for "willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office, or not to have acted in good faith in the reasonable belief that his action was in the best interest of the Trust;

The extensive records of Lancorp Fund #1 are clear and convincing evidence that Lancaster acted within the authority and disclosures made in the 2003 PPM as amended on April 5, 2004, and continued to do so until June 10, 2005 when investor Peter Weiss became the first investor in Lancorp Fund #2. That is when the cross-contamination of the compliant-exempt Fund #1

became infected with the non-compliant-non-exempt Fund #2 activities, all of which transpired after Lancaster ceased informing McDuff of his business activities.

There are so many specific declarations in the statements, depositions and testimony of Gary Lancaster and Norman Reynolds that McDuff had no authority, ownership or power of any type in the Lancorp Fund of 2003 or over its owner Gary Lancaster and the investor funds, that the SEC cannot and has not presented any evidence to the contrary. Every statement and deposition or affidavit confirms this fact repeatedly. Mr. Lancaster was in sole control of the 2003 Lancorp Fund at all times. There was not one single person who had any authority over his control or management decisions of that Fund, or his other company, Lancorp Financial Group, LLC. He testified that he never gave any authority to McDuff, or Reese, or anyone; and that he was not in any type of partnership or business with McDuff, because *"...there was never a discussion ...never any reason to have him be part of it ... because I was having everything done by Norman Reynolds...There was never any discussion of other people making decisions with me"*. (02/05/06 Lancaster deposition pages 194-201)

In total disregard to this first-hand testimony, the SEC led the courts astray from this evidence and hid this truth from them. That is fraud on the court. Never once has Mr. Lancaster said he was not 100% in control of the 2003 Lancorp Fund, or that he subordinated his authority in full or in part to anyone. The SEC has produced no evidence showing otherwise.

The SEC never produced one single line, paragraph, or page, containing any "public advertising" of the 2003 Lancorp Fund distributed to anyone by McDuff, Lancaster, or by anyone else that McDuff or Lancaster were aware of who were doing so with approval or permission of Lancaster. The only evidence the SEC produced was of a posting on a British website that informed investors worldwide of various opportunities and how to find them. It was an information sight that provided news, but charged no fees nor received any pay from the companies it told curious comparison shoppers about. As soon as Mr. Lancaster was told of that website making mention of the2003 Lancorp Fund, he demanded the reference be removed, and it was. The SEC did produce testimony that an independent financial planner named Robert

Reese had placed advertisements in financial publications about the Lancorp Fund features without identifying it by name.

ADVERTISING WITHOUT CONSENT

The inappropriate conduct of Reese, who has been declared by Lancaster and every affiant as being independent, self-employed, and not an agent or someone granted any authority to make representations about the Lancorp Fund 2003, must not be imputed to others who were unaware of his conduct. The record shows Reese was prompted to direct his "existing" clients to the Lancorp Fund by UK businessmen. It was never the request of McDuff or Lancaster that Reese do anything whatsoever except to stop advertising the Lancorp Fund 2003. He had described it in ads without naming it and then, when contacted by responders to the ads, he sent them a one-page outline, highlights of the Lancorp Fund 2003 by fax and email. Lancaster was informed of Reese's conduct and immediately demanded that Reese stop. Evidence supports this demand to cease, and Reese complied. There is no record of Reese continuing to act in this unauthorized way after Lancaster's reprimand. There is no evidence that McDuff, Lancaster, or anyone, was aware that Reese was doing anything other than sending his existing clients to Mr. Lancaster, whose job was to explain the Fund and send prospective investors PPM's and subscription agreements. Not one person produced a PPM or subscription booklet sent to them by Reese or McDuff. All were confirmed as being sent directly by mail, to every investor, from Mr. Lancaster, in Oregon.

Had Reese been employed by Lancaster, or contracted with someone to do anything as an agent or representative of the Lancorp Fund, then Reese's misdeed would be reflective on the Lancorp Fund's compliance with the provisions of a Reg. D private placement, 12 U.S.C. 77d(2). Had Lancaster allowed Reese to continue the inappropriate advertising after discovering what Reese was doing, then Mr. Lancaster would become a knowing party to the Reg. D violation, and that would be sufficient cause for the SEC to strip the 2003 Lancorp Fund of its registration exemption Rule 506 of Regulation D, 17 C.F.R. §203.506 and impose a penalty, or require registration, or both. It would not be criminal conduct.

This was a rogue act by Reese outside the knowledge of Lancaster, that ceased when Lancaster became aware of it, and there is nothing showing McDuff was aware of it either. Therefore, this conduct liability is to apply to Reese alone, absent a showing of evidence that Lancaster and/or McDuff knew, approved, or encouraged this improper conduct.

LANCORP FUND 2003 EXEMPTION STATUS

The SEC record in Washington D.C. headquarters and the courts supported by the testimony and affidavits of Lancaster and Reynolds affirm that in March of 2003 attorney Reynolds filed the requisite FORM D for the March 17, 2003 Lancorp Fund Private Placement Memorandum. Specifically, Reynolds filed for a federal registration exemption pursuant to Rule 506 of Reg D, 17 C.F.R. §230.506, which is a safe-harbor provision authorized by Section 4(2) of the 1933 Securities Act, 15 U.S.C. 77d(2) for limited private placements, which permits a private issuer to sell unregistered securities to any "accredited investor" and up to thirty-five other unaccredited purchasers. That SEC filing was not questioned or rejected by the SEC from March 17, 2003 to December 3, 2005.

When placed in the light of truth and viewed in total context, the means Lancaster employed to accumulate the investor funds in an escrow account until he had raised enough money to begin operating, was Reg. D Compliant. So too was his investor-signed-and- approved April 5, 2004 amendment, removing the insurance element before using investor money according to that amendment. Every investor not in agreement with the amendment was refunded their money out of escrow. Then, and only then (May 14, 2004), did the Lancorp Fund of 2003 go effective, sell its shares, and enter into permitted transactions exactly as the amendment allowed. Due to Lancaster's proven anticipation of legitimate protected transactions only, and his reliance on legal counsel for guidance each step of the way to insure SEC compliance, there is no direct evidence that Lancaster ever intended to cause harm or loss to his investors in the Lancorp Fund of 2003, by placing them in an investment that he knew to be substandard or non-compliant with the PPM (as amended).

Facts show his investment in Tricom/Citibank was compliant with the April 5, 2004 PPM amendment, and his absolute belief, instilled by Megafund legal counsel, that the Megafund was safe, shows his firm belief he was acting in good faith and in the best interest of his investors. The same belief was imparted to McDuff through his father who got it from Megafund owner Stanley Leitner. McDuff was ignorant of any offense occurring behind the Megafund storefront that could harm Lancorp Fund investors, which included his father, Rev. McDuff, who first asked Lancaster to investigate the possibility of investing his IRA money in the Megafund. Gary McDuff is entitled to the same "Pass-on-Defense" afforded to Rev. John McDuff, and others who simply passed on unaltered information they believed to be true. There was no fraud on the part of Rev. John McDuff and Gary McDuff when they told Gary Lancaster what they had heard about the Megafund. They were not soliciting investors for the Megafund. Gary McDuff told no investor to place money in the Megafund. There is no investor in the Megafund that stated that Gary McDuff even told them about the Megafund. The independent financial advisor Robert Reese never knew of the Megafund at all until after the SEC closed it down in 2005. So, it would have been impossible for him to tell his clients who invested in the Lancorp Fund that Lancorp Fund money was in the Megafund and protected by insurance. Lancaster confirmed many times to investigators that he never told Reese where he invested the Fund's money or that insurance protected it. All talk to Reese and Lancorp Fund investors about "insurance" ended on April 5, 2004.

RECEIVER'S ARBITRARY CONCLUSIONS

From the outset in 2005, court appointed Receiver Michael Quilling crafted his own theory of the business relationships between Bradley Stark's Sardaukar Holdings, James Rumpf's Cilak International, Stanley Leitner's Megafund, Gary Lancaster's two Lancorp Funds, and all the parties who did business with them. Unfortunately, Quilling's proffered theory was adopted by the SEC investigators, and accepted by the courts, only because crucial facts of an exculpatory nature that established who-knew-and-believed, what-and-why, at each stage of the times under investigation, were suppressed by design, and hidden from the courts and defendants, to establish a prima facie case. Both Quilling and agent Huseman had blundered by overreaching their color of law authority and persuaded internet payment service Cash Cards International to

"FREEZE" the entire online payment portal of MexBank in Mexico City. They assured owner Steven Renner they would obtain a Freeze Order from a federal court. The online portal of MexBank was frozen by Renner on the promise of a court order to impose the freeze. The court denied Quilling's request for the freeze order. The online payment portal was not only rendered inactive for any MexBank customer attempting to access their money, the homepage had big red letters across it that read: "CLOSED BY ORDER OF SECURITIES AND EXCHANGE COMMISSION". The result of this was direct injury to MexBank. It caused a run-on-the-bank. Sixty percent of its customers requested closure of their accounts and the return of their deposits, which was done as requested. This injury was inflicted on MexBank by Quilling and SEC agent Huseman before any proof of Megafund violations had been established as adjudicative fact. MexBank's offer to the SEC to place an administrative hold on the account(s) in question was never accepted or even responded to. MexBank sent a warning (see Attached 04/26/2006 Formal, Constructive and Public Notice.)

Three business days after the premature freeze had been imposed and the federal court denied the freeze order request, Mr. Renner reactivated the online payment portal so that MexBank customers could access their accounts. The damage had already been done. MexBank filed a lawsuit against the SEC and Quilling and Mr. Renner in the federal courts in Mexico City for that injury to its customers and itself; because it was overreaching to interfere with the unrelated accounts of MexBank and its online customer base instead of limiting it to only those accounts suspected of receiving money from the Megafund profit distributions the Receiver sought to recover.

MexBank offered an instant solution to Quilling and the SEC. It offered to freeze or block the suspect accounts up to the amount Quilling claimed had been received inappropriately ($70,000 on 04/05/05 and $175,835 on 04/26/05 totaling $245,835). That was the appropriate thing for MexBank to offer to do. It assured the Receiver, the SEC, and the U.S. federal court that the subject money would be held, pending final adjudication and legal determination, whether or not those payments from the Megafund were lawful profits and if they must be turned over to the court appointed Receiver. It also assured MexBank remained in compliance with Mexico laws and regulations concerning customer information, absent a court order. MexBank's offer

was left unanswered. McDuff's contribution to MexBank's exposing the overzealous overreaching un-colorable conduct of Quilling and Huseman set them on a warpath to cover up their misdeed by causing fellow investigators to disregard witness statements and presume McDuff was the mastermind behind the whole Megafund/Lancorp Fund operations. Their willful blindness to the truth expressed by witnesses and documents was done to divert any attention away from their error or personal liability stemming from their overreaching conduct. Their misconduct set in motion an orchestrated effort to knowingly designate actual victims as perpetrators of a crime, which they knew was initiated exclusively by Bradley Stark alone. They arbitrarily assigned invented guilt to Rumpf, Leitner, Lancaster, Reese, and McDuff.

The unrelated guilt of Rumpf, Leitner, Lancaster and Reese is not insignificant. However, it does not rise to the level alleged. See the attached complete story "Collapse of the Megafund & Lancorp Fund Part I and Part II" for a complete compilation of the facts as told by the persons having first-hand knowledge of the events they witnessed. Appropriately, the accurate facts assign the correct measure of liability to each party deserving of it, as well as the correct measure of exoneration due to those who acted in a good faith belief they were doing the right thing.

The attached fax from Mr. Lancaster on March 21, 2005 to attorney Norman Reynolds is an absolute record of good-faith belief of compliance acquired by Lancaster through legal counsel. The foregoing errors of fact have been established by the preponderance and clear and convincing standards required to lawfully undermine any judgment obtained by obfuscating the facts knowingly and presenting this court and the preceding courts with suborned perjury that constituted fraud upon the court. Collectively, the totality of all past and newly discovered evidence supports facts showing:

- Gary McDuff did not recruit Lancaster or Reese. Dobb White & Mr. de'Ath did that.
- McDuff did not decide to create the Lancorp Fund. Mr. de'Ath and Mr. Riseam made that decision.

- The 2003 Lancorp Fund PPM did not contain materially false or misleading information, and Lancaster did amend it, removing the insurance element with every investor's signed acknowledgment before using their money.
- The Lancorp Fund never paid any commissions to anyone in relation to the sale of investor shares. Only permitted profits were earned via contract between Lancorp Group and Lancorp Fund pursuant to Article 7.5 of the PPM as confirmed by attorney Norman Reynolds, as being permitted and disclosed as an expectation.
- Neither Lancaster, Reese, nor McDuff had any prior knowledge that the Megafund was improperly formed, dealing in non-registered non-exempt securities, and investing the monies entrusted to it into a Ponzi scheme. Every indication from any reliable source insists Lancaster believed Megafund was everything its literature claimed it to be, especially insured against principal loss. Reese never heard of the Megafund name until after it was closed by the SEC, so he couldn't have made any representations about it.
- Neither Lancaster, Reese, nor McDuff informed any investor, or prospective investor after April 5, 2005, that insurance policy protection was available to purchase and protect individual investors, or that the Lancorp Fund of 2003 carried a blanket insurance policy of any insurance company.
- Gary McDuff directed no investors to the Megafund. It was Rev. John McDuff who had the idea and reason to contact Gary Lancaster and ask Mr. Lancaster to review the Megafund and determine if it was a good safe place to invest Rev. McDuff's money. Rev. McDuff is the person who first met the owner of the Megafund, Stanley Leitner, and thought he was an honest businessman.
- Mr. Leitner of the Megafund is the person who called Mr. Lancaster and persuaded Mr. Lancaster to invest in his insured Megafund. Gary McDuff had nothing to do with the exchange of information between Lancaster and Leitner. Lancaster and Leitner respectively and separately informed Rev. John McDuff and Gary McDuff that they had agreed to do business together.

- It was never Gary McDuff's job or responsibility to obtain insurance protection for the 2003 Lancorp Fund, or assist in locating investment opportunities. That was the exclusive role of Terrence de'Ath who employed McDuff.
- Profits earned lawfully from all money market funds, syndication participation with Tricom/Citibank, and even those believed to be legitimate from the Megafund were paid as contracted by Lancorp Group to each and every Lancorp Fund 2003 investor. Many withdrew their earnings and others reinvested. Lancorp bank records and its Accountant records show this fact, making the allegation "without ever distributing profits" a self-evident untruth.
- Gary Lancaster was experienced in the financial fiduciary industry and had "assisted" in hundreds of millions of dollars' worth of security trades and syndications done by the institutions that employed him during his career. He held a series 6,7,63 license and Investment Advisor Representative License series "65", allowing him to represent his licensed capacity to give investment advice.
- Gary McDuff had no duty or obligation to possess a securities license as an employee of an arms-length company that loaned venture capital money to the Lancorp Group to form the Lancorp Fund; or to answer question of callers. There is no SEC regulation which prohibits a man from telling another person who asks what he knows about persons, companies, or law firms his employer does business with, or who he or his family has invested their own money with, and why. Solicitation laws restrict who can contact others and ask them to invest, not persons who are contacted and asked why they invested their own money in a specific investment and what they know about it. Every fiber of evidence provided by any source shows Gary McDuff did no more than this when called by only a few callers, and all such communications took place before the April 5, 2004 amendment to the 2003 Lancorp Fund.
- O. N. Equity Sales Company filed for protection from at least 20 Lancorp Fund investors in as many federal district courts attempting to prevent NASDF mandated arbitration claims seeking recovery of their uninsured principal loss in the Lancorp Fund of 2003. All 20 federal courts found that on April 5, 2004 Mr. Lancaster made a

material change in the PPM by amending and removing the insurance element out of the PPM and gave every investor the option to stay invested without insurance, or request and receive a full refund. Those 20 federal courts made a very important finding. Not only did they all conclude that Lancaster had amended the insurance protection element out of the 2003 Lancorp Fund and obtained signed acceptance of that amendment from each investor as of April 5, 2004, those courts also found specifically that all money sent to the Lancorp Fund from March 17, 2003 until May 14, 2004 had sat in escrow waiting for the fund to have enough money to begin doing business, as required in the PPM, therefore, it was on May 14 that the sales to investors of the 2003 Lancorp Fund shares took place. It was not on the date the investors sent their money to Lancorp fund's investor escrow account at U.S. Bank-U.S. Bancorp Piper Jaffray. Had this suppressed adjudicated fact been presented to the federal courts by government attorneys, or been provided in the Brady material so I could have presented it, the claim of insurance policy misrepresentations would surely have been set aside as non-existent. It could not be a violation of non-disclosure to disclose to investors this material change before their purchase of Lancorp Fund shares were final and afford them the option to complete their purchase or get all their money back.

The Fifth Circuit Court of Appeals has done an initial case check by their attorney advisor and is satisfied that my interlocutory appeal Docket 14-40905 to show actual innocence by virtue of suppressed evidence has met their standard. They are allowing me to present them with the newly discovered evidence that demonstrates suborned perjury, suppression and unethical investigator conduct. Allowing me to proceed on the basis of a miscarriage of justice though the interlocutory remedy first and let the direct appeal Docket 14-40780 wait for the interlocutory decision, is a showing of judicially recognized merit worthy of consideration.

I have done my best to show you how the default judgment in civil action No. 3:08-cv-526-L on 02-22-2013 is void and untimely, etc.

1. The 15 USCS 1-year from discovery Rule for 10(b) actions related to "offenses discovered by a victim or government agency", was exceeded. At least 23 months passed before the 03-26-08 complaint was filed. Therefore, it was time-barred.

2. Twenty federal courts determined that all Lancorp Fund (of 2003) sales of shares were not final because 100% of investor money remained untouched in escrow, unavailable to Lancaster, as required by the governing Memorandum until he had accumulated the $5 million required to "go effective", and until that caused Lancaster to invest in the Megafund. Since the law says that two opposing he had given written notice to every investor that the anticipated insurance was no longer on offer to the Fund. Each investor was afforded the opportunity to withdraw their escrowed money, which was secure by Traveler's insurance and SIPIC protection provided by the custodian US Bank-US Bancorp Piper Jaffray. All investors who chose to remain invested were required to sign their acceptance of the material change amendment to the Memorandum, which eliminated the insurance protection. They mailed it to Mr. Lancaster as proof of their agreement to the change. On May 14, 2004, Mr. Lancaster informed investors the Fund money had been placed into a conforming investment (Tricom/Citibank). That was the date that the Twenty courts agreed was the date that Lancorp Fund "sale of securities" (Lancorp Fund Shares) first took place under the Reg D. 506 Private Placement Amended Memorandum.

   This is proof that any and all representations made to investors regarding "insurance" was disclosed as not being available before the Lancorp Fund investor shares sales were actually made, thus removing any cause for actionable liability to support a fraud claim by the SEC.

3. Quilling v. Humphries 2006 U.S. Dist. LEXIS 74568, the Court clearly finds that "On February 16, 2006, the Receiver filed this action against Kenneth Wayne Humphries, the attorney representing Megafund, seeking to recover more than $9 million invested by Lancorp Financial Group as a result of allegedly false statements made by Humphries in an opinion letter".

This simple discovery of fact was within the knowledge of government contractor Quilling. It is direct proof that Quilling had, by February 16, 2006, already concluded that it was attorney Humphries who provided Lancaster with an opinion letter, that the Megafund was insured against all forms of loss. It was that representation by Humphries that caused Lancaster to invest in the Megafund. Since the law says that two opposing statements cannot at the same time be true, how is it that Quilling is allowed to claim Lancaster invested in the Megafund because of Gary McDuff? This is clearly exculpatory.

4. It was never the idea of Gary McDuff for Lancaster to invest any of the Lancorp money into the Megafund. Gary McDuff, at his father's request, spoke to Lancaster about the prospect of investment by his father only. It was Mr. Lancaster's idea, after speaking to Mr. Leitner about placing Rev. McDuff's money in the Megafund, when it appeared to him to be safe enough for him to place the majority of Lancorp Fund money there, if Leitner could produce proof of the existence of insurance. This fact is affirmed in the February 2006 Deposition of Rev. John McDuff, and the Victim impact testimony of Vivian McDuff, on April 16, 2014, which you have on file.

5. Gary McDuff did not invest any Lancorp Fund money in the Megafund. He had no authority to do so. The government produced no evidence showing that he directed anyone, or caused anyone to invest in the Megafund. Even Mr. Lancaster did not suggest that. Lancaster only affirmed that John and Gary McDuff made him aware of the Megafund when they asked him to investigate the possibility of moving Rev. McDuff's IRA money into the Megafund.

6. Rev. Brown, Rev. Hobbs, Rev. Harris, Rev. Dewey, Rev. Frank, and even Stanley Leitner, identify me as an investor in the Megafund, not a "broker-introducer" expecting a fee. They all knew that I worked for an entity (Secured Clearing Corp.), which had ownership in First Global Foundation, MexBank, and Value Asset Management, all of which were direct investors in Megafund, independent from Lancorp's investment in Megafund. Megafund records seized by the SEC reflect these three entities as direct

Megafund investors. The profit payment instructions I provided to the Megafund secretary are proof that I represented the interests of those investors and not the interests of Lancorp. In that regard, I was an independent separate and parallel investor in the Megafund.

7. Other evidence withheld from you, and me, contains many references by Lancaster, Reynolds, and documents affirming that I had zero authority to cause the Lancorp Fund, Lancorp Group, or any entity of Lancaster's to do anything. That is a complete fabrication by agents, parroted by government attorneys. And in the matter of my prior conviction, my own website, www.garymcduff.com was made public throughout the Lancorp years, so it was not undisclosed, or hidden. The government has used a shotgun theory to prosecute and convict me. The plethora of misconstrued evidence has left you unaware of the relevant facts you need to make an informed decision.

8. It was not until months after my trial that I discovered there was a second Lancorp Fund dated June 1, 2005. That fund is the one never properly filed as a Reg. D 506 private placement exempt entity with the Commission through the Form D filing process. Not only was I unaware of its existence, the civil court, grand jury, petit jury and trial court was never informed by the government attorney that there were two Lancorp Funds formed two years apart. One conformed to the laws and one did not. I ask you to join me in assigning that error of due process to the agents who ignored the evidence in order to implicate me.

   I had knowledge of Lancaster's activities in Lancorp Fund #1, all of which were lawful, but no knowledge whatsoever that he later secretly created Fund #2, when Lancaster actually DID then violate SEC regulations. Every fact shows that Fund #2 was the exclusive idea of Lancaster and he confirms that I knew nothing of it.

9. You and all other courts were deprived of the documented and deposition proof that Lancaster, at the insistence of Terrence de'Ath in London, presented attorney Norman Reynolds with questions as to how each step he took should be done. Every step was

first reviewed and advised by counsel. That proof would have entitled a Good-Faith-Reliance defense to be presented at all court proceedings, as in Markowski v. SEC 34 F.3d 99 at 105, *"To establish the defense, defendant is to show he made a complete disclosure, sought advice as to the appropriateness of the challenged conduct, received advice that it was appropriate, and relied on that advice in good faith*". Lancaster did exactly this at every stage of the Lancorp Fund #1.

10. I truly believed the Administrative Settlement resolved any claim between the SEC and me. It has not been explained to me why the law quoted in the settlement documents I relied upon was not in compliance with due process arbitration that requires a response from the SEC rejecting the offer. If case law says I have the right to consider a controversy that I believed no longer existed due to an unopposed settlement that made the case moot, isn't a hearing required to determine if I had a due-process right to findings of fact and conclusions of law to uphold my judgment or set it aside as being deficient before allowing the SEC to go forward with their claim, and leave me under the impression that I had settled the matter?

In Ash v. Swenson the Supreme Court adopted the rule of collateral estoppel that where *"an issue of ultimate fact has once been determined by a valid and final judgment, that issue cannot again be litigated between the same parties in any future lawsuit"*. The government insists, that you should disregard the form and procedure I relied upon. But that does nothing to reconcile the fraud-on-the-court and due process violations used by government attorneys to obtain the judgment.

Any conviction or judgment obtained by suppression of exculpatory evidence, subornation or fact misrepresentation constitutes fraud-on-the-court and vitiates the conviction or judgment making it as void as if it never existed. Establishing this very fact is the current interlocutory appeal objective.

You may not know, but deserve to know, that I have never been afforded one single hearing I have requested since discovering the new and suppressed evidence. Now I have discovered the

same fact information the government has had since 2005. Did you know that I am the only person the government had the federal courts issue an arrest warrant for? I am also the only person who was not given a PR bond after indictments were brought. All others were sent a "summons" to appear for arraignment and released from court that day, on bond. The ability for me to discover defense materials and testimony, or to even acquire a basic understanding of the allegations surrounding events I was ignorant of, was severely prejudiced by the government's objection to bail. My perfect record, of appearing in court while on bail, apparently meant nothing.

How can the government justify the transparent selective prosecution of me, in light of the newly discovered suppressed evidence, which shows that I was singled out for prosecution among many other Megafund investors that were similarly situated? Receiver Quilling and SEC DOE agent Huseman constructed an entirely circumstantial case, hiding the truth from me, from you, and every other officer of the courts. Investigators interposed their theory because no one knew enough of the overall facts to prove their theory to be wrong. At least not until now.

I want you to be aware of the fact that the SEC agents departed from traditional protocol regarding venue. The civil case against me was brought in the Northern District, who would not accept the case for criminal prosecution by that district U.S. Attorney's office, so the SEC agents forum shopped it to the Eastern District, who agreed to indict, but was deprived of all the Megafund evidence from the Northern District, which made suppression of selected evidence possible. The truth deserves to be allowed on the table for judicial examination.

If, for any reason, you are not inclined to grant a hearing and take testimony from witnesses that can corroborate my discoveries, then I would respectfully ask that you stay this proceeding and render no final decision until the appellate court makes a decision to remand for an evidentiary hearing or new trial.

From a purely legal technical application of the law from your perspective, I am aware that my not receiving a fair trial in the criminal case is a separate matter entirely than the civil case where the SEC has asked you to act based on their claim of me being lawfully "enjoined".

However, the fact remains that the criminal case came into being only because of the initial fraud-on-the-civil-court by government agents. No civil or criminal judgment can survive that circumstance. That is reasonable cause to at least postpone this instant matter. Furthermore, I am not an "industry person" situated to abuse a position of public trust. New facts prove I did not solicit or engage in any broker-dealer or investment advisor conduct as alleged, but instead was an "investor" in the Lancorp Fund of 2003 and in the Megafund.

The preponderance of the evidence standard applied to the suppressed evidence, when taken as a whole, places me within the precise situation the Supreme Court described in United States v. Fox 95 US 670, 671 (1877), *"The criminal intent essential to the commission of a public offense must exist when the act complained of is done: it cannot be imputed to a party" (me) "from a subsequent independent transaction"*, (Lancorp Fund #2) and (First National Ban Corp) of whom I knew absolutely nothing.

The attachments are indicative of the exculpatory nature of excerpts of what has been sent to the appellate court.

I found solace in the words of Federal District Judge Adalberto Jordan in U.S. v. Freeman, 11th Dist., 139 F. Supp. 2d 1364 at 1371 where he said, ..."*One must accept the reality that an individual, innocent of the crime charged, may yet be convicted by the jury on legally sufficient evidence. That possibility will exist so long as fallible men and women, rather than angels, administer the criminal justice system.*" And quoting Justice Frankfurter in, Winters v. New York 333 US 534, *"Our penal codes are loaded with prohibitions of conduct depending on ascertainment through fallible judges and juries, of a man's intent or motive -- on ascertainment, that is, from without of a man's inner thoughts, feelings, and purposes. Of course, a man runs the risk of having a jury of his peers misjudge him".*

For the personal record, I have made mistakes many times in my career. I have been misled and duped by unethical businessmen, but I have not, nor would I, knowingly do that to anyone. The government was unable to produce a witness who could say that I lied to them. That is because there is not one.

In all sincerity, I ask nothing more than for you to abate any decision while I establish my innocence in the federal courts, which I am now doing. The SEC and the public will suffer no risk during this time if you defer your decision, or decide not to decide.

For the reason stated herein and the compelling indicators that; misconduct by public officials resulted in fraud on the federal courts, including this one, and denied me access to the information necessary for me to present a full, fair, and adequate defense to the allegations. Whereupon, this reviewing court in applying the public interest Steadman factors, now [for the first time] has sufficient "fact evidence" to find the Commission's theory of the facts to be legally insufficient to warrant sanctions be imposed against me. Such a finding is appropriate where the manifest errors of fact are reliably established and the probable result will be the vacating of the judgment and conviction in the federal courts due to the illegal methods used to obtain them.

I have presented sufficient new, credible evidence to undercut the reliability of the judgment, regardless of whether the record contains sufficient evidence to support the judgment. I have made a colorable showing of factual innocence just as did Jeffery Don Williams on April 18, 2014 in the 10th Circuit District Court LEXIS 54092 before Judge Payne, after 16 years of petition after petition pleading for the court to allow him to have a hearing so he could [and did] show he had been convicted on fabricated evidence and perjured testimony. In this regard the newly discovered suppressed evidence in my case is even more persuasive than that in the Williams case.

The Williams case is the best example I could find to show that judges are human too. They, like other intellectuals, view adjudicated matters as being presumably correct, reliable and just. It is the rare case where that bias is overcome by anything more convincing. One of the few things that are viewed as unacceptable police conduct, is knowingly convicting an innocent person. An honest presumption of innocence is a noble ideal, and one that seldom engulfs the courtroom. For example: Ninth Circuit judge Alex Kozinski has been quoted as saying, *"It is an open secret long shared by prosecutors, defense lawyers, and judges, that perjury is widespread among law enforcement officers"*. And Stuart Taylor, Jr., for the Record, Am. Law.

Oct. 1995, at 72 said, *"This problem prevails throughout the criminal justice process, and not simply at probable-cause hearing"*. Generally speaking, however, despite the "open secret", judges usually accept police testimony they suspect is perjurious. The reasons for this vary, including the wish to help law enforcement officers convict persons whom the judge believes is guilty...and not being portrayed in the media as "soft on crime". See. Andrew J. McClurg, Good Cop, Bad Cop: Using Cognitive Dissonance Theory to Reduce Police Lying, 32 U.C. Davis L. Rev. 389, 405 (1999).

Further, Respondent sayeth not in this PETITION to obtain the relief requested, unless so Ordered or at a hearing fixed by this Honorable Court.

Respectfully requested.

Gary L. McDuff
Respondent, All rights reserved

ATTACHED ENCLOSURES:

1. Formal, Constructive and Public Notice from MexBank CFO Adolfo Noriega to SEC dated 04/26/2006
2. March 21, 2005 fax to Norman Reynolds from Gary Lancaster
3. Collapse of the Megafund & Lancorp Fund Part I and Part II – An overview of every relevant fact.

SERVICE LIST

The attached, RULE 360(b) PETITION FOR REVIEW OF THE INITIAL DECISION has been sent to the following parties and other persons entitled to notice:

- Commission Secretary – (1 ORIGINAL + 3 COPIES)
  Elizabeth M. Murphy, FBO

- Honorable Brenda P. Murray – (1 COURTESY COPY)
  Chief Administrative Law Judge

- Honorable Cameron Elliot – (1 COURTESY COPY)
  100 F Street NE, Mail Stop 1090
  Washington, D.C. 20549

- Janie L. Frank, Esq
  Fort Worth Regional Office
  S.E.C
  801 Cherry Street, Suite 1900
  Fort Worth, TX 76102

FAX COVER SHEET

TO	MELISSA KIMPS
COMPANY	SEC-WASHINGTON
FAX NUMBER	12027729324
FROM	Amber McDuff
DATE	2014-11-12 23:30:40 GMT
RE	RE: GARY L. MCDUFF - AP FILE NO. 3-15764

COVER MESSAGE

IN THE MATTER OF GARY L. MCDUFF, PLEASE ACCEPT THE ATTACHED "RULE 360(b) PETITION FOR REVIEW OF THE INITIAL DECISION", WHICH IS NOW DUE. YOU SHOULD BE RECEIVING THE SIGNED ORIGINAL W/ATTACHMENTS, ALONG WITH 3 COPIES, TOMORROW THURSDAY 11/13/14. THEY WERE MAILED TODAY, 11/12/14 BY USPS EXPRESS 1-DAY.

THANK YOU IN ADVANCE FOR YOUR ASSISTANCE.

FAX COVER SHEET

TO	ATTN: MELISSA
COMPANY	SEC-WASHINGTON
FAX NUMBER	12027729324
FROM	Amber McDuff
DATE	2014-11-13 19:04:54 GMT
RE	GARY L. MCDUFF

COVER MESSAGE

THE FAX DID NOT GO THROUGH... PLEASE SEE ATTACHED "UNSUCCESSFUL FAX TRANSMISSION" ALSO ATTACHED.