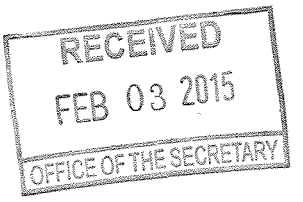
UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



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

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

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

ADMINISTRATIVE PROCEEDING
File No. 3-16318

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In the Matter of

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

Respondents.

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

Respondents by and through their undersigned counsel hereby responds to this Court's Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of The Securities Act of 1933, Sections 15(b) and 21C of The Securities Exchange Act of 1934, and Section 9(b) of the Investment Company Act of 1940 ("Order"), and Notice of Hearing and state as follows:

A. RESPONDENTS

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

ANSWER TO 1. Crow admits the allegations of this paragraph except disputes the use of the word "purports." Crow and Defendants deny that he managed or controlled or was an officer or director of PanAm as a public company, as such, he did not participate in the management of PanAm that would constitute a violation of the officers and directors "bar" as implied by the said allegation. Crow does not dispute that he is the subject to an officer and director bar, as he signed a consent decree neither admitting or denying the allegations in 1996, and does not dispute that he is barred from associating with a broker dealer due to the 2008 trial where he had a financial interest in a broker dealer without a license, or that he filed for bankruptcy due to the financial crisis of 2008. In further response, in no prior proceeding referenced in this allegation or anywhere at any time was Crow found to be engaged in fraudulent conduct. Additionally, despite the continued reference to Crow's personal bankruptcy due to catastrophic changes in business from 2008, the bankruptcy is irrelevant to matters in this proceeding and the continued reference is unduly prejudicial.

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

ANSWER TO 2. Clug cannot respond to these allegations as to the "relevant time" which is not defined; however, he admits he has resided in Miami and Lima, Peru. The remainder of the allegations is admitted by him. Any allegation not addressed herein is denied.

3. **Aurum** is a Nevada limited liability company established in April 2011, with its principal place of business in Miami, Florida. Crow and Clug each owned 50% of Aurum's voting shares during the relevant period. Crow

and Clug served as managers of Aurum. Aurum was not registered with the Commission in any capacity during the relevant period.

ANSWER TO 3. Admitted that Aurum is a Nevada corporation and was established in April 2011. Clug through Dolphin Group, LLC and Crow through Raven Holdings, LLC owned all of the Class B Units and, accordingly the allegations that each individually owned the voting shares is denied. Admitted that Aurum was not registered with the Commission and would further state it was not required to be so registered. Admitted Crow and Clug are managers with the additional response that Angel Lana was also a manager of Aurum from inception. Without knowledge as to relevant period and to the extent not addressed herein, denied.

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

ANSWER TO 4. Admit that PanAm at one time had its principal place of business in Miami, Florida. Denied that it does so presently. Admitted it filed a Form 10 with the Commission and later withdrew its registration. Otherwise, admitted. PanAm is no longer an operating entity.

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

ANSWER TO 5. Admitted as to Corsair. In further response, Corsair was not required to be registered. The allegation implies that it was required to be registered and, accordingly, the statement should be stricken as irrelevant and unfairly prejudicial.

B. OTHER RELEVANT INDIVIDUALS AND ENTITIES

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

ANSWER TO 6. Admit Aurum Mining Peru, S.A. is a Peruvian subsidiary of Aurum based in Lima, Peru. Admit that during a period of time, Crow, Clug and others had control over its finances. Without knowledge as to what is the relevant time, denied in general that this subsidiary directly received $2 million dollars in proceeds from investors.

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

ANSWER TO 7. Upon information and belief, admitted, however, without knowledge as to relevant time period.

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

ANSWER TO 8. Admitted.

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

ANSWER TO 9. Without knowledge and therefore deny same.

C. FACTS

Crow is Enjoined and Barred for his Previous Violative Conduct

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

ANSWER TO 10. Admit that the Commission made certain allegations, however, said action was resolved by consent without admitting or denying the Commission's claims. Furthermore in further denial of the implication of this allegation, Crow received a full reimbursement of his legal fees and other costs from the insurance carrier of Wilshire due to the action not having any findings or decisions regarding any fraudulent activity by Crow.

11. On April 16, 1998, the District Court for the Southern District of California entered a judgment that: (1) permanently enjoined Crow from violating Section 17(a) of the Securities Act and Sections 10(b), 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act and Rules 10b-5, 12b-20, 13a-13, 13b2-1 and 13b2-2 thereunder; (2) ordered Crow to disgorge $1,248,444 plus prejudgment interest of

$225,773, with the judgment satisfied by the resolution of a related securities class action lawsuit; and (3) stated that Crow "is permanently barred from acting as an officer or director of any issuer[.]" Crow consented to the entry of the judgment without admitting or denying the allegations.

ANSWER TO 11. Admitted with the clarification that this was a stipulated judgment from a consent decree.

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

ANSWER TO 12. Admitted to the extent this accurately reflects the order, otherwise denied. Further, this allegation is not relevant to these proceedings.

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

ANSWER TO 13. Admitted.

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

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

ANSWER TO 14. Admitted. This reflects a portion of the findings of the above referenced judge.

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

ANSWER TO 15. Admitted.

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

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

ANSWER TO 16. Without knowledge that the Commission's administrative action was based on a final judgment, but admitted that said action was filed and admit that the Administrative Judge made findings, some of which are as set forth in this paragraph and which are reflected in a court transcript.

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

ANSWER TO 17. Without knowledge that it was based on the quoted findings which constitutes only a portion of the findings of the Administrative Judge.

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

ANSWER TO 18. Admitted with the caveat that the SEC judgment was listed as a debt but one that is not dischargeable in the bankruptcy.

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

ANSWER TO 19. Admitted that the bankruptcy trustee made the allegations against Crow, and many parties that had received distributions over a ten year period prior to the bankruptcy for amounts the Trustee wanted to reclaim as personal property of Crow for purposes of the bankruptcy. No fraud, as these actions were normal and part of the Limited partnership and children's trusts that had been established in 2001.

Crow Devises New Money-Making Schemes

20. In early 2010, after filing for bankruptcy, Crow began planning new moneymaking schemes.

ANSWER TO 20. Denied. Further, the conclusory, derogative use of the word schemes should be stricken and disregarded.

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

ANSWER TO 21. Admit that Duncan Technology Group was to be possibly used as a vehicle for PanAm and the objective was to possibly have it listed on an exchange as a publicly traded company. Crow denies that he was in a position of control or that he caused a Form 10 to be filed with the SEC. Admit that Crow and Clug have traveled to both Brazil and Argentina. Without knowledge as to when returned as alleged and therefore denied, and as for Crow, denied in total any allegation that he caused any Form 10 to be filed.

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

ANSWER TO 22. Admit that Crow and Clug formed Corsair and Aurum. Admit that Aurum and PanAm raised funds from U.S. Investors. Denied to the extent that these allegations link these two companies in their activities. Denied that Corsair raised any funds from Investors. Admit that PanAm was set up to launch farmland operations and Aurum for gold operations but deny that there was any business associations between them. Admitted that Crow and Clug initially did not have specific backgrounds in farmland and mining, but had business backgrounds and educated themselves in these areas. Deny that Crow participated in raising funds for PanAm.

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

ANSWER TO 23. Admitted that Crow and Clug through corporate entities had 650,000 Class B membership units in Aurum. Deny that Crow and Clug allocated the Class B shares, as this represents the initial capital structure of Aurum before any funds were raised on behalf of Aurum, including assigning any and all letters of intent and other assets to Aurum as fully disclosed in the private placement memorandum. Deny Crow and Clug did not invest any of their own money.

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

ANSWER TO 24. Deny that $600,000 received by Corsair was solely for fees as a significant amount of the funds were for expenses. Deny that the Crow and Clug collected fees from investors in Aurum and Pan Am as investors made investments in the Companies and the compensation to Corsair was part of a management contract, not for fees. Said payments under the contracts were disclosed to investors and were supported by consideration

provided by Corsair. Denied that Aurum did not generate any revenue as it generated a small amount of revenue. Denied it was part of a structure, as Pan Am and Aurum were start up entities with all relevant management agreements fully disclosed and approved. Admitted Corsair entered into the advisory agreements, denied that Crow and Clug collected any fees as alleged from investors, rather the monies derived from Corsair under fully disclosed and appropriate management contract which was the sole basis for Crow and Clug personal compensation for their full time activity on behalf of Aurum.

Respondents Fraudulently Offer and Sell Aurum Securities

The Aurum Convertible Notes and Term Sheet

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

ANSWER TO 25. Denied as the money was raised by Angel Lana who was a CPA to the investors and an Aurum manager pursuant to Convertible Notes. Admit to the extent the content of a Convertible Note is accurately quoted. Although not required Investors could convert prior to repayment at their choice. Denied as to the allegations as to the Term Sheet as it is vague and ambiguous as to which document is being referenced and also based upon information and belief as to this Term Sheet. Further denied in that it is believed to be a proposed Term Sheet.

26. That the note proceeds would be used to "complete due diligence including final report from engineers, legal, travel and costs related to the land purchase and startup operations." Instead, a majority of the funds raised went to personally benefit Crow and Clug.

ANSWER TO 26. Admit that a Proposed Term Sheet made said statement, but not the Notes. Otherwise denied. Deny that a majority of the funds went to Crow and Clug.

The August 2011 PPM

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

ANSWER TO 27. Admitted, however, that the August 2011 PPM was later replaced by a December 31, 2011 PPM that had several significant updates and changes including a more thorough disclosure in the PPM itself. Denied the initial August PPM omitted Crows activities in that there were risk factors with disclosures. Upon information and belief, the August PPM did not set forth the subject matter of the final sentence of these allegations. No Investor requested a return of the investment after they were offered a return of their money, and provided the December PPM which had full and detailed disclosure in the PPM itself of Crow's background in addition to the risk factors and detail in the data room.

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

ANSWER TO 28. Admitted in part but denied in that the minimum investment of $1,000,000.00 was not designated a closing condition. Admitted the Aug PPM did have a $1M minimum requirement. Based on this PPM, a total of $115,000.00 was raised from seven (7) accredited investors until the August PPM was replaced by the PPM dated of December 31, 2011. The seven (7) investors after reviewing the December PPM, reaffirmed their investment and signed new investor documents Denied in that the December PPM had as its only closing condition a minimum of $250,000.00 raised which was already accomplished. With further clarification additional funds raised under the December 31 2011 PPM of approximately $1,885,000.00.

29. The "closing conditions" in the PPM required, first, that Aurum and Arthom enter into a joint venture agreement on substantially the same terms as provided in the August 2011 PPM. Second, Aurum was to receive a

geological report from a qualified and licensed geologist, attesting to his opinion regarding the average and/or total gold content of the Batalha tailings. Third, Aurum was to receive an opinion of Brazilian legal counsel stating that: (a) the Batalha JV had been duly formed under Brazilian law and Aurum owned a minimum of 49% in the Batalha JV subject to Aurum's required full funding of $2.5 million; (b) the Batalha JV owned or had irrevocable rights to the land and mining rights to Batalha; and (c) the Batalha JV had received the licenses from the Brazilian government required to implement the Batalha JV's business plan with respect to Batalha.

ANSWER TO 29. Admit that this allegation reflects the closing conditions set forth in the August 2011 PPM, but denied that these were closing conditions that applied to any of the investors except the seven (7) original investors for $115,000.00 under the August PPM who later ratified their investment under the December PPM, and thus did not apply.

30. Aurum and Arthom entered into a joint venture agreement dated December 12, 2011 (the "Batalha JV Agreement"), which purported to modify and replace a prior agreement. The Batalha JV Agreement provided for a 50-50 ownership between Aurum and Arthom. It required Arthom to transfer its claimed contractual right in the Batalha property to the Batalha JV. It also required Aurum to provide funding, in the form of loans to the Batalha JV, starting with an initial funding of $750,000.00. The $750,000 was to be used primarily to purchase equipment for the Batalha project, among other things.

ANSWER TO 30. Admit that this allegation reflects a portion of the provisions of the Joint Venture Agreement dated December 12, 2011, admitted that Arthom did make the transfers as required. Admitted that Aurum had an obligation after some conditions in the contract to secure a $750,000.00 loan, however, denied in that Aurum immediately owned its 50% interest as clearly stated in the contract. Denied as to the pejorative use of the terms purported which implies that said contracts were not in effect. Denied in that the contracts speak for themselves and absent any allegation of a specific nature that can be refuted or admitted. Denied in that the contracts speak for themselves and were signed by all the parties including the two Brazil founders unrelated to Crow and Clug. To the extent it accurately reflects the language of the specific agreement, admitted.

31. By December 31, 2011, Crow and Clug had virtually depleted the $250,000 proceeds from the convertible notes, which were due to mature in less than two months. By then, Aurum had raised only $115,000 from investors in the equity offering, which had not been escrowed, contrary to what Aurum represented to investors in the August 2011 PPM. Rather, Aurum kept the

funds in its savings account, to which Crow and Clug had unfettered access. Crow had also depleted his personal account. Faced with a potential default on the convertible notes and in an apparent attempt to replenish Crow's personal account, Crow and Clug lied to investors about Batalha as detailed below.

ANSWER TO 31. Admitted that proceeds from notes had been used for disclosed proper business expenses and that $115,000.00 had been raised in equity financing. Admitted that monies were in fact deposited into a corporate bank account as was disclosed and approved by counsel. At the recommendation of the CFO, a savings account was utilized solely for this purpose of depositing investor funds from the PPM. Admitted that Crow and Clug had authority over the corporate bank account of Aurum. As previously stated, investors reaffirmed their investment after receipt of the Update to Private Placement and the December 31, 2011 PPM. Deny that Aurum was faced with a potential default as note holders had previously expressed a desire to convert the debt into equity under the December PPM, which would obviate the necessity to satisfy the notes. Deny that Crow and Clug lied to investors. Admit that at times Crow had expended funds from his personal account, but deny the implication that this was a motivation to lie as implied by this allegation. Otherwise denied.

The December 2011 PPM and PPM Update Letter

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

ANSWER TO 32. Admit in January 2012, the December PPM and PPM Update letter was sent. Denied that it was sent mostly to convertible note holders, rather it was sent to all investors, some of which invested and had notes. Admit that no subscriptions would be accepted until Aurum had raised at least $250,000.00, which was accomplished. Denied there were any other closing conditions.

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

ANSWER TO 33. Deny that the December 31, 2011 PPM required funds to be escrowed. Denied in that there was no requirement that Crow or Clug

under the August 2011 PPM would not have access to corporate bank accounts. Funds were used for disclosed legitimate business purposes. Deny any allegation Crow and Clug paid themselves fees. All amounts were used in the Company for business purposes and only for amounts due under contractual obligations or for expenses in completing the business due diligence and investment activities. Denied in that all payments for the management contract were made to Corsair and never to Crow or Clug. Denied in that Crow and Clug received W2 compensation solely from Corsair, never Aurum.

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

ANSWER TO 34. Denied. In further response, Respondents separately are moving for a more definite statement to the extent that the Commission has asserted that there are other "misrepresentations and omissions" than alleged in the "Order."

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

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

ANSWER TO 35. Denied that the December 2011 PPM and PPM Update Letter misled investors about Aurum's ownership interest in the Batalha property. The Batalha JV was formed and Arthom did in fact contribute property to the JV. Independent lab tests and field geology was conducted. Potential reserves were calculated and updated in the financial model and details in the data room available to all investors.

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

ANSWER TO 36. Admitted to the extent the letter is quoted accurately. Denied that said letter refers to the August 2011 PPM. Investors were provided a December 2011 PPM.

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

ANSWER TO 37. Denied. Aurum acquired its interest in the JV. Denied in that the JV did have the required license for mining.

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

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

ANSWER TO 38. Admit to the extent this accurately quotes the August 1, 2011 PPM. Denied as the email is taken out of context and in further response said email superseded by meetings, calls and further confirmation by the lawyers for Aurum based upon information and support from Batlaha.

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

ANSWER TO 39. Denied.

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

ANSWER TO 40. Respondents are moving for a more definite statement as to this general assertion of the Commission. Denied as to any material misrepresentations.

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

ANSWER TO 41. Admitted to the extent the allegation accurately quotes the Operating Agreement.

Deny in that 2012 audited statements by BDO Siedman of the primary asset, Aurum Mining Peru was completed. The final draft 2012 audit report of Alta Gold was prepared and largely completed, but not finalized due to lack of funds in 2014.

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

ANSWER TO 42. Admit that the August 2011 and December 2011 PPM so stated, and admit these disclosures were made and there are other limiting risk factors for the investors with regard to this subject in the PPM. Incentive compensation from gross proceeds realized from any and all sources including a sale, by Aurum Mining after certain hurdles are reached..." Denied in that these gross proceeds are defined in an Incentive Agreement as 'Cumulative Gross Cash distributed' (i.e. dividends NOT revenues), and importantly the incentive payments would commence only after the investors received their investment back.

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

ANSWER TO 43. Deny it was paid personally. Corsair had a valid and disclosed management agreement and all amounts were paid according to this agreement. Admit that apartments were paid by the Company. Denied that it was for Crow's and Clug's sole benefit as they were also used for other corporate staff and investor/member visits to Peru, and noted that during the time as Crow and Clug maintained homes in the USA at their own cost. Admit expenses from time to time to cover the many out of pocket cash costs involved in traveling to and from the mines.

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

ANSWER TO 44. Denied as disclosed in data room and denied as it specifically mentions the bankruptcy, even though it may not be material to the PPM.

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

ANSWER TO 45. Denied that it urged note holders to convert or investors to invest more money. Deny that statements were false. To the extent the Commission is relying upon claims not otherwise delineated in the Order, Respondents would, in an abundance of caution, deny same as this allegation is insufficient to put Respondents on notice of the alleged "misleading information about Aurum's business properties in Brazil and Peru." This allegation is the subject of a motion for a more definite statement.

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

ANSWER TO 46. Admitted.

The Aurum Quarterly Updates to Investors

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

ANSWER TO 47. Admitted that updates were sent. This allegation fails to set forth the alleged misrepresentations in specific language. Accordingly, denied. This allegation is further subject to a motion for a more definite statement. Denied in that the reports were also reviewed by Lana and by legal counsel.

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

ANSWER TO 48. Denied that the "option" did not constitute an acquisition. The structure of an "option" is a common vehicle to acquire mining concessions in Peru and throughout the mining world. Said option contracts were registered with Peruvian authorities, which clearly show who 'owned/controlled' the mining concessions/rights. Admit to the extent this accurately quotes the 2012 First Quarter Report.

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

ANSWER TO 49. Deny in that there were several testing results and projects underway and that this Cobre Sur is next to a multi-billion dollar copper mine

"Southern Peru Copper, and had informal tunnels and workings. Further the tests were ongoing."

Deny in that geologist was asked if in his opinion it merited further work to explore, not that he was improperly asked to write anything as the allegation implies.

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

ANSWER TO 50. Geologist A is not identified, but on the assumption Geologist A is Steven Park to the extent the allegations are supported by the report and not taken out of context, admitted. Denied that the report is accurate as it was inaccurate as of the date it was received in October versus the site visit in April. Additional sampling and metallurgy was done as per recommendations of Geologist A and the third quarter report was accurate. Denied that any statement alleged was false. Deny in that by the November time frame over 500 samples had been taken with strongly anomalous gold results verifying the large informal tunnels and workings of prior artisan miners. Denied and in further response, the allegation confuses the metallurgy test work which was done by an independent test lab, had any relation to the geology initial report by Geologist A. The metallurgy reports which include gold grades, and gold recover percentage were excellent, and the independent metallurgy reports conclude as such.

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

ANSWER TO 51. Admitted as to the content of third quarter report which were only projections based on Peru experts/management. Deny in that it is taken out of context. Deny that Investors increased their investment based on the Update, and deny the encouragement of investors. The report which speaks for itself simply states that investors had the first right to invest and in the absence of that, the Company would seek other funds.

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

ANSWER TO 52. Denied that processing plant did not become operational and was operational as evidenced by producing a batch of gold. In further response, the testing results and metallurgy reports substantiated the alleged statement. Deny that Molle Huacan was never in mining production as over 1,000 tons were stockpiled.

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

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

ANSWER TO 53. Deny the use of purportedly as the mineral processing plant was built and Aurum did launch mining and then processing operations. In an abundance of caution, denied as this paragraph is subject to a motion for a more definite statement.

54. The September 2012 PPM stated that Aurum had "uncovered at least 10 significant gold veins and one in which we know there is a lot of copper." It also stated that "[o]ur goal is to be able to initiate mining of the ore from Molle Huacan by the end of Q3 of 2012 and process ourselves by Q2 of 2013." The January 2013 PPM stated that "[o]ur goal is to be able to initiate mining of the ore from Molle Huacan by the end of Q1 of 2013

and process on site." The CIM represented that an independent geological report had concluded that Molle Huacan was "a project of merit with a reasonable plan for drilling to define the ore body."

ANSWER TO 54. Admit to the extent the Commission has accurately quoted the September 2012 PPM. Admit to the extent that the Commission has accurately quoted the January 2013 PPM.

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

ANSWER TO 55. Without knowledge that the Commission has quoted a Confidential Information Memorandum ("CIM") that was in fact used as many drafts were prepared that were not used. Admit that Aurum had the required permits and were permitted to mine under "*Declaracion de Compromiso*." Denied that mining did not start in April 2013. Respondents are not able to fully respond to the allegation as to projections as the specific CIM is not identified as upon information and belief, said reference may be to a draft of a document that was not used. Accordingly, denied. In further response, the CIM and projections were reviewed and written by an independent licensed third party (RWeGrowth) and was based on their due diligence trip, interviews with all the senior team in Peru, and their interviews of the NI-43101 Geologist, Daubeny.

56. These are material misrepresentations and omissions because they imply that Molle Huacan already had an ore body of gold and that Aurum was on the verge of producing and processing gold. Contrary to Aurum's claims, a Canadian geologist ("Geologist B") who visited Molle Huacan in February 2013 and had tested the site, found no evidence that Molle Huacan had an ore body of gold. According to Geologist B, an "ore body" is a body of mineralization that is economic to extract, i.e. sufficient to fund its exploration, development, extraction, labor, overhead, and reclamation costs, in addition to providing a reasonable return to investors. Dissatisfied, Clug tried to convince Geologist B to alter or omit some of the negative findings in his draft geological report, including the fact that Geologist B's test results showed lower gold values than those reported by Aurum's local Peruvian geologist. Geologist B declined. Eventually, Geologist B

concluded that Molle Huacan did not contain any known mineral resources or reserves.

ANSWER TO 56. Denied that there were material misrepresentations and omissions. To the extent the allegations accurately reflect the report of the unidentified Geologist B, admitted, otherwise denied. Denied that Clug tried to convince Geologist B to alter or omit negative findings. Geologist B did not inform Respondents of any doubts or questioned estimates. Said geologist only questioned some tests results for the same locations he tested. In part based on the findings of Geologist B, the Canadian licensed valuation firm that selected and retained Geologist B, and after reviewing his findings and meeting with Geologist B. valued the Molle Huacan mine at $21.5 million dollars. Deny in that the NI 43101 report that was issued by Geologist B concluded it was a project of merit warranting further work, based upon his findings of strongly anomalous gold results from testing, and geology in the region. Deny in that Geologist B also stated in his report that he could not confirm or deny an ore body without more testing. Deny in that internal geologists from Aurum had stated there was an ore body feeding the veins. To the extent not addressed above, these allegations are denied.

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

ANSWER TO 57. Admitted that an Aurum Business Plan contained various statements quoted by the Commission. Admit they are true. Admit that so called Geologist B disputed estimates. Deny that Geologist B was correct. Deny characterization that Business Plan was a marketing tool and deny it was part of the PPM or any document that investors were given or relied upon.

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

ANSWER TO 58. Admit. In further response, the Commission's judgment in 2008 was not predicated on fraud.

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

ANSWER TO 59. Denied. The amount raised as alleged and number of investors is not accurate.

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

ANSWER TO 60. Denied as others were involved in the preparation and review of said documents. Denied in that the allegations lack specificity and motion is made to the extent that there are any other allegations other than those contained herein. Deny in that the responses included herein address this allegation. Deny in that Lana was also a manager of Aurum and participated along with legal counsel in all documents.

Respondents Fraudulently Offer and Sell PanAm Securities

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

ANSWER TO 61. Admitted. In further response, the Form 10 was approved after comments from the Commission. Otherwise denied.

62. Prior to PanAm's registration of its common stock with the Commission, Crow played a lead role in directing the affairs of the company. After PanAm became a public company, Crow continued his involvement, operating behind the scenes. Crow was regularly involved in high-level senior management communications concerning PanAm's business affairs and he participated in decision-making activities. For example, Crow

negotiated business deals with third parties on behalf of PanAm. Crow also attended conferences and business meetings relating to PanAm and billed his expenses to PanAm. Furthermore, Crow was instrumental in selecting officers and directors of PanAm. Crow performed oversight functions and even threatened to fire PanAm's CFO because of a delay in PanAm's Form 10-K filing with the Commission. Clug and others at PanAm kept Crow informed about PanAm's operations and business plans.

ANSWER TO 62. Denied to the extent that the Commission is seeking to imply that Crow was in control. Admitted that Crow was an initial key consultant and investor. Denied as to characterization that Crow improperly acted behind the scenes. Admitted he provided input but ultimately did not have decision making authority. Deny he assisted in negotiations of business transactions.

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

ANSWER TO 63. Admitted, but deny the use of term purported, the first money invested for $25,000.00 came from Crow. Deny characterization of a shell company.

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

ANSWER TO 64. Admit advisory agreement with Corsair. Admit $40,000.00 fees were paid and one half were paid to Pacific Trade. Admit that Crow's role in Corsair was not disclosed but deny that its disclosure was required.

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

ANSWER TO 65. Admit.

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

ANSWER TO 66. Admitted in part and denied in part. The representation was that PanAm was in process with a Form 10 and application for listing on the OTCBB submitted on April 29, 2011. The reference to the date April 29, 2011 was the date of filing of the Form 10. Denied it gave investors a false impression that shares were poised to be publicly traded. The disclosures in the Form 10 clearly stated there was no market for the Company's stocks and that soon after the effective date of the Registration Statement, management intends to apply for a listing on the OTC Bulletin Board.

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

ANSWER TO 67. Admit. Denied that it was required to be disclosed.

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

ANSWER TO 68. Admit that the form under Section 16 was not completed. Deny any payments were made to Crow or Clug other than reimbursement of expenses. Without knowledge as to amount of payments to CEO. Otherwise denied.

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

ANSWER TO 69. Admitted PanAm did not acquire an asset. Otherwise denied. Deny Crow and Clug benefited personally.

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

ANSWER TO 70. Denied.

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

ANSWER TO 71. Without knowledge as to specific filings and therefore denied.

Respondents Operated Corsair as an Unregistered Broker-Dealer

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

ANSWER TO 72. Admit there was a referral agreement but was not utilized. To the extent accurately reflected, said agreement admitted. Otherwise denied. Deny Crow, Clug participated in any monetary or sales efforts. Admit present at a meeting, without knowledge as to meet set forth above. Denied.

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

ANSWER TO 73. Denied. Fees were not based on referrals of investors. Denied in that all clients of Lana and his CPA practice, none were clients of Corsair and only the father of Clug had any relation to Corsair principals.

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

ANSWER TO 74. Admit. However, denied that fees received fell with the scope of broker dealer compensation or that Corsair was a broker dealer, or was required to be registered.

D. VIOLATIONS

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

ANSWER TO 75. Denied.

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

ANSWER TO 76. Denied.

77. As a result of the conduct described above, Clug willfully violated Rule 13a-14 of the Exchange Act, which requires that principal executive and financial officers of an issuer of a security registered pursuant to Section

12 of the Exchange Act certify to the accuracy and completeness of the issuer's annual and quarterly reports filed with the Commission.

ANSWER TO 77. Denied.

78. As a result of the conduct described above, Crow, Clug and Corsair willfully violated Section 15(a)(1) of the Exchange Act, which prohibits any entity from making use of the mails or any means or instrumentality of interstate commerce to effect transactions in securities without registering as a broker-dealer. Crow and Clug willfully aided and abetted and caused such violation by Corsair.

ANSWER TO 78. Denied.

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

ANSWER TO 79. Denied.

AFFIRMATIVE DEFENSES

As and for affirmative defenses, Respondents would assert that:

First Affirmative Defense

The filing of this Administrative Action violates the Equal Protection of the U.S. Constitution. Rather, the claims asserted should be litigated in the United States District for the Southern District of Florida.

Second Affirmative Defense

To the extent that certain claims or relief sought may be barred based upon the application of Statutes of Limitation, this defense is asserted in an abundance of caution to preserve any defenses as discovery is received and reviewed.

Third Affirmative Defense

Respondents as and for their third affirmative defense would allege that the Commission has failed to set forth claims for which relief may be granted in that said allegation of fraudulent misrepresentations or omissions have not been asserted with specificity.

Fourth Affirmative Defense

Respondents would reserve the right to assert additional affirmative defense as discovery progresses and is reviewed.

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[redacted]rrylaw.com

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