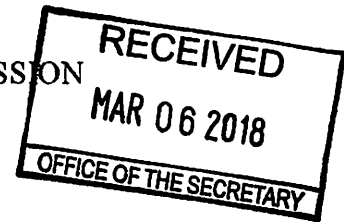


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



In the Matter of:

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

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: ADMINISTRATIVE PROCEEDING
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File No. 3-16318

**ALEXANDRE S. CLUG'S CORRECTIONS TO DIVISION OF ENFORCEMENT'S
REPLY TO ALEXANDRE S. CLUG'S RESPONSE TO THE DIVISION'S SUBMISSION
OF NEW EVIDENCE¹**

I, Alexandre S. Clug, respectfully ask the Commission to review and set aside, in whole, the reply, corrections, new evidence, and particularly its conclusions, submitted by the Division on February 26, 2018.²

¹ Unfortunately, I am still not able to afford to hire an attorney at this time, so I am filing this Petition *pro se*.

² I also continue to assert the constitutional challenges I raised before ALJ Patil, which are incorporated herein by reference. I mention them again here because I want to preserve the arguments so that I can raise them to a court of appeals if I seek further review, and also so that I can raise them to the Commission if an appeals court or the Supreme Court rules against the Commission's position on the Constitutional issues while this Petition is pending. I continue to contend that this Administrative Proceeding violates the Appointments Clause. This Proceeding also violates Article II of the U. S. Constitution based upon Free Enterprise, *supra*. This Proceeding also violates Art. I delegation doctrine and a right to a jury trial.

I would also like to take this opportunity to bring to the Court's attention that these latest proceedings, such as submission of New Evidence and the Ratification process, have only made it much more confusing to Respondents such as myself that have limited resources. For example, the Division, on February 26, 2018 filed a response to my Response dated January 29, 2018. In their February 26 response the Division makes numerous and extreme allegations that I have not been informed on how to respond or correct, and if this is even permitted. However, I respectfully believe that these proceedings would be ill served if I was not allowed to respond and correct the damaging allegations by the Division and give the Judge a more accurate picture of the situation. While the objective may have been to provide Respondents with better protections, as they would have had if the case had been brought to a Federal Court, it has only further favored the Division that seems to have unlimited resources and are just being given another opportunity to throw more allegations against the wall to see what sticks. In addition, there does not appear to be any information available on what is actually occurring. For example, is the Administrative Law Judge including all the information submitted in my prior Appeals when reviewing this case? Is the result of his review a new Initial Decision, to which I would then have to find the resources to start the Appeal process again, if appropriate and if even available?

CORRECTIONS

The Division makes numerous allegations and inferred conclusions, all of which are incorrect. I have corrected them below with supporting evidence where appropriate. These allegations include:

1. My alleged concealment of the acquisition of the Palm Beach Property was a material omission, that I took no responsibility for omitting it, and that I acted in bad faith.

The actual net effect of our purchasing, through a 100% financed loan, the townhouse where my wife and I now live, is that [REDACTED] [REDACTED]. As I stated in my prior Response, we had no choice as we could [REDACTED]. It would therefore logically follow that it would be advantageous to me to disclose this to show a further deterioration in my ability to pay.

The Division also makes statements such as I “was well aware of the fact” and that I had more than ample time to consult with my counsel as he filed his notice of withdrawal on February 10, 2016. Firstly, the Division cannot assume to know my state of mind or what I was aware of or not without evidence to support this. I am sure that there is Case Law supporting me on this but as I am representing myself I find it difficult to find these. I was obviously not “well aware” of my requirement to keep updating my financial situation since, as I pointed out above, the disclosure would have actually helped my case of financial difficulty. Secondly, while my counsel did file his notice of withdrawal in February 2016, the reality is that I had only been able to pay him through the Hearings and he was asking for more fees to represent me any further, something that would have been difficult for me to do. In any case, this is irrelevant since I was not “well aware” of the necessity to keep updating my financial situation and could thus not have thought to ask him about it.

To state that I acted in bad faith and concealed the purchase presumes that it would be advantageous for me to do so. The fact that the purchase had a negative effect on our financial

situation and would have been advantageous to disclose therefore does not support the Division's claim of my purposely 'concealing' it or of my having any intent to deceive.

2. My alleged omission or minimization of assets and income from my employment with Avra Medical Robotics, Inc.

The Division shows no evidence to support their allegations that I did not initially work for Avra Medical Robotics ("Avra") for no pay, then for \$2,500 and then eventually for \$5,000. While I did eventually negotiate to have an employment agreement with Avra in August 2016, I had been working for no pay prior to that. The CEO of Avra then did start paying me \$2,500 per month and then later raised that to \$5,000. Those are the facts and are supported by my bank statements, tax returns and W2s. I have included my 2016 Avra 1099 in Appendix A. It shows that I received a total of [REDACTED] for 2016. My previously provided 2016 tax return showed this number as well. It is deceiving of the Division to allege that because an agreement states that I would receive a certain amount of pay that I then actually did receive that amount. The facts, per my bank statements, tax returns, and W2 contradict their allegations.

I have been working with start-up companies for many years and it is not uncommon to have an employment agreement with such early stage and underfunded companies. It is just as common to ask for shares and options in these types of companies, understanding that only if the company becomes successful and fully funded in the future that you will be able to receive your full salary and that the shares and options may become of value. Unfortunately, as is common knowledge, more start-ups fail than succeed. I have many share certificates in prior companies that never moved forward and are now worthless. I, of course, hope that Avra will become successful one day and that I will be fully paid and that my shares and vested options will be

worth something. But as is only too common with working with a start-up company, especially one that has no revenues and approximately only [REDACTED] in funds currently remaining, there is no certainty that it will work out. The Division provided the financials for Avra in their Response. This uncertainty of what may happen to Avra is highlighted with what happened with a prior company named Avra Surgical Robotics, with the same founder and CEO as for the current Avra. That company filed an S1 as well in 2013. The complete filing can be found at the following link: https://www.sec.gov/Archives/edgar/data/1377040/000121390013000627/fs12012_avrasurgical.htm . It then withdrew its Registration statement over a year later and the company soon ceased operations.

This incorrect inference by the Division that something in writing automatically translates to cash received also applies to the [REDACTED] expense stipend that is in my employment agreement. [REDACTED] expense stipend, for IRS purposes, would be considered income to me and would have to be included as pay to me. The total that I receive is still a total [REDACTED] month, regardless of what is included in that total.

The Division offers no support to allege that I somehow purposely agreed to defer my compensation from Avra to somehow minimize the amount shown on my W2. This again makes no logical sense. Firstly, these payment levels for me have been occurring well before this entire New Evidence and SEC ALJ Ratification process began and the resulting need for me to submit a new Financial Affidavit. I doubt many could have predicted that this would happen, and I definitely did not. Secondly, Avra continues to be a start-up with no revenues for the foreseeable future and limited resources. I had to negotiate aggressively to even get the [REDACTED] I now receive.

With the [REDACTED] that my wife and I are having why in the world would I not have tried to get paid more?

The Division alleges that the potential sale of Avra stock could earn me over a million dollars. The lottery tickets my wife and I sometimes buy could also potentially earn us a million dollars. While I of course hope that the odds of being successful with Avra are much higher than winning the lottery, the fact remains that today, they are of little to no value to me. Avra did raise some funds at \$1.25 per share last year but that is normal for a start-up raising funds. There is always a price per share. None of the investors were institutions and I understand that all were accredited individuals. This does not automatically translate to having a market for those securities and my then being able to sell these shares at that price or any price for that matter. Except for a certificate for 75,000 shares that I recently received, I do not have certificates for any of the other shares. Avra has no trading symbol and is thus not listed on any exchange. The division alleges that I hid the Brokerage Statements that should show these Avra holdings. Obviously, with no trading symbol, this cannot be the case as there is nothing to be provided to a Broker. The other unfortunate reality that I face is that if and when the company gains visibility, these current proceedings, available to everyone on the internet, and their potential negative conclusion, could endanger my keeping a position in the company. I feel fortunate to have found this work with Avra. This only happened because the CEO knew me well before these proceedings began and was willing to give me a chance. As described in my earlier Response, people and headhunters will not go near me due to these proceedings and all the related allegations that have been made, and available for anyone to see.

3. My alleged failure to produce supporting documents to the bank and brokerage records and my alleged ownership of the Monique Clug Family Trust and the Clug Trust's Morgan Stanley account.

The Division is repeating an error they have made in the past in confusing me with my father. My father's name, as it appears in almost all his documentation, is A. Stephen Clug. He almost never uses his first name of Alfred. My full name is Alexandre Stephen Clug. This seems to have led to the confusion. The Division refers to a Morgan Stanley account and the Monique Clug Family Trust. I am neither the owner nor the Trustee of either of those accounts. My father is. My father has various accounts at Morgan Stanley and was able to get a loan from Morgan Stanley, in his name, based on and secured by, his investments at Morgan Stanley. As I explained in my Response to the Division, [REDACTED] [REDACTED] [REDACTED] at [REDACTED], Palm Beach Gardens, FL [REDACTED] The allegation by the Division that I did not provide information on the identification of the securities used to obtain the margin loan nor the source of those securities therefore does not make sense as none of those [REDACTED] As stated, [REDACTED] as shown in the supporting documents that I provided in my Response to the Division. Perhaps the confusion is a result of my providing too much information on where the loan originated for the purchase of our house. For tax year 2016, as a one-time occurrence, and [REDACTED] [REDACTED] of the Monique Clug Family [REDACTED] [REDACTED] [REDACTED] [REDACTED] the Division refers to in their response.

The Division states that I did not provide any statements for the second [REDACTED] [REDACTED] as listed in my Financial Statement. [REDACTED] only [REDACTED] [REDACTED] which it owns and which in turn has the TD Bank account with the last four numbers of [REDACTED]. These bank statements were indeed provided. [REDACTED] above the amount [REDACTED] on the latest bank statement represent the actual cost paid for the restricted Avra shares it owns. The Avra shares and the bank balance shown are the only assets owned by [REDACTED] [REDACTED]. I have provided a 2017 Trust Statement in Appendix F.

The Division states that I did not provide statements for January, July and August of 2017 for the Aviator Mastercard accounting ending in 5118. I did not provide these statements because they do not exist. There was no activity in those months and I was therefore not provided with any statements.

4. My potential anticipation of unusual income related to the rental property in Miami.

About two weeks ago we finally received an offer to rent our apartment at [REDACTED] [REDACTED], Miami, FL [REDACTED] (the "Condo"). There has recently been an explosion of new building and rentals coming to the market in the same area in downtown Miami where our Condo is located, making it very difficult to find renters. Our total monthly out of pocket cost for the Condo is approximately [REDACTED], not including repairs or maintenance. This includes the mortgage, real estate taxes, insurance, and condominium association fees. We hope to start renting it out in early March and have agreed to a monthly rental price of \$2,400 per month with a potential tenant. This is much lower than hoped for but given our financial situation, we accepted. However, the potential renter's application was denied by the Condominium Association on March 1, 2018 (see Appendix C). I am trying to get this overturned with the

Condo Board and hope to have this resolved shortly. In my Response, I fully disclosed the situation with the Condo and would also argue that this is not an “unusual income” that I needed to explain as described by the Division, nor was it as a result of ‘an abiding commitment to avoid paying any monetary judgement’, as maliciously described by the Division.

5. My alleged extravagant lifestyle and life of comfort and luxury.

Almost all of the Division’s alleged extravagant and lavish spending habits on ‘travel, hotels, restaurants, recreation, and other non-essential items’ were in fact not for me but for employees, consultants, and contractors to Avra. I had agreed with the CEO of Avra, as part of my administrative responsibilities to help control costs for others’ travels by my booking and paying for these items. I also helped control costs by finding the best prices for supplies and equipment needed by the company. I have included my Expense Reports in Appendix D. These total [REDACTED] through January 2018. The reimbursements of these expenses also explain a large part of the incoming funds to our Bank accounts that the Division alleges were hidden income. I can also confirm that while the Employment Agreement includes a clause for providing business class travel on flights of over 5 hours, the reality is that this is not happening, and I fly in economy class the few times I am required to travel.

The Division states that my wife and I visited the Dominican Republic and alleges that we covered the expenses of friends and associates. We did not and are not able to cover the expenses of friends and associates. As explained above, these were mostly done on behalf of Avra and were reimbursed by Avra. On the infrequent occasion that an expense, such as the three airline tickets purchased for a friend of ours, Henryk Dabrowski, in March 2017, was paid using our credit card, it was immediately reimbursed. In this example, which was also incorrectly used by the Division, the reason for our paying for those tickets for our friend in March 2017 was

because he had a personal emergency and did not have access to a credit card at the time. The total paid on our Capital One credit card, in mid-March 2017, for those tickets was \$1,788.48. On those same dates, a transfer can then be seen into our TD bank account ending in the four numbers 6778 of \$1,806.60. This was Henryk Dabrowski reimbursing us for those tickets. The slightly higher total was due to some other expense that he owed us money for. This is another example of, according to the Division, supposed unexplained income to me and an extravagant lifestyle inferred from our credit card charges. [REDACTED] purchases at, for example, Costco Wholesale, or online at Amazon.com as [REDACTED] We use our [REDACTED] He [REDACTED] [REDACTED] or writes us a check which, in either case, we then deposit into our TD bank account. We have not kept track of these expenses, but these add up into [REDACTED] over a year. Another example of funds being deposited into our TD Bank account that the Division includes as alleged income was the [REDACTED] loan on Nov 20, 2017. The loan documents were provided in my prior Response. Another example of incoming funds into our TD Bank account are the reimbursements that my wife received while she worked for the Federal Emergency Management Agency (“FEMA”) (WSP USA Services is the company working with FEMA that my wife specifically worked for) to help the victims of Hurricane Irma. This was a temporary position where her last work day was in November 2017 as they no longer required her services once a majority of the Hurricane assistance had been completed. She received one advance and four reimbursements [REDACTED] Copies of her relevant Earnings Statements covering these are included in Appendix E. We also used our [REDACTED] for all her expenses while she worked at FEMA which included hotels, meals and rental cars. Perhaps, when another

hurricane hits and damages Florida, and her services are needed, might she be able to get work again with FEMA but we cannot count on this income in the future and thus did not include this potential future income in my financial affidavit. [REDACTED]

[REDACTED] FEMA. [REDACTED]
[REDACTED], as the Division implied, is not possible.

[REDACTED] a [REDACTED]
[REDACTED]
[REDACTED] the nearby Dominican Republic. We rented a [REDACTED] there. The image the Division keeps attempting to portray of us as living an extravagant life is incorrect and offensive on a personal basis. [REDACTED].

The Division also refers to the amount of money spent at Massage Envy and at Life XMD LLC. They fail to inform us of the time period over which this money was spent. This covered at least a 12-month period and are expenditures related to sports related [REDACTED]

[REDACTED]

Another example of funds coming into our TD Bank accounts were for the rental payments for our Condo of [REDACTED] per month that occurred through May 2017. This would cover [REDACTED] in 2017. Yet another example of funds coming into our TD Bank account is the [REDACTED] check from Progressive insurance that we received in October 2016 for the damage to our car caused by someone running into it while it was parked. I could go on and on with examples that correct the Division's allegations and explain the credit card charges and incoming funds into our bank accounts but hope that these are sufficient to explain that my wife and I are not hiding any

income nor living an extravagant life of luxury as described by the Division. Our tax returns and supporting documents prove this out as well.

6. The allegation that my purchase of an alleged luxurious vehicle demonstrated that we had no concerns about making ends meet.

When [REDACTED] my wife and I needed to purchase one vehicle for the both of us that would be reliable and could perform many tasks. We decided on a Jeep Grand Cherokee. We [REDACTED] [REDACTED] for this car and, since it is a purchase, and not a lease, we hope to have some equity in it by the time our payments end in June 2022. The current loan balance of [REDACTED] exceeds its current estimated value of [REDACTED]. We thus currently have no equity in the car. The supporting evidence for these numbers were submitted in my prior Response.

I would like to provide an update on funds I received from Avra that were not included in my prior submission. After submitting my recent financial statements, I received a Form 1099 from Avra. See Appendix B. The amount is for \$13,500 and covers several one-time advances from Avra's CEO to help my wife and I meet our financial obligations. The CEO made these generous one-time contributions after finding out about our financial difficulties, such as potentially missing our mortgage payments, and his worry that these would negatively affect my work performance. However, I cannot count on these kinds of contributions in the future.

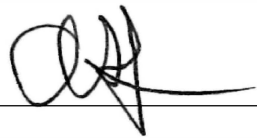
CONCLUSION

I respectfully request that the Court, based on the information I have provided here, dismiss in full the Division's request that the Court withdraw its findings on my inability to pay

and impose a civil penalty. I also continue to assert my inability to pay any disgorgement as clearly demonstrated in my financial disclosures.

Dated: March 6, 2018

Respectfully submitted,

By: _____

Alexandre S. Clug

CERTIFICATE OF SERVICE

I hereby certify that on March 6, 2018, I served a copy of this Petition by fax and mail to the Commission's Secretary, Office of Administrative Law Judges, U.S. Securities and Exchange Commission, 100 F Street, NE, Mail Stop 1090, Washington, DC 20549, and a true and correct copy of the foregoing was furnished via Electronic Delivery to:

Office of the Administrative Law Judges at alj@sec.gov
Honorable Judge Jason S. Patil at Patilj@sec.gov
David Stoelting at StoeltingD@sec.gov