UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-16318

In the Matter of

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

Respondents.

DIVISION OF ENFORCEMENT'S RESPONSES AND COUNTERSTATEMENTS TO THE PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW OF RESPONDENT MICHAEL CROW

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Dated: October 20, 2015

Background

1. Crow and Clug worked together in NYC in the DC Associates Management Company with Clug serving as CFO. Both were experienced business executives and entrepreneurs. Ex 3.

Division Counterstatement: Clug reported to Crow at DC Associates from 2005 to 2009. Div. FOF 18-19. Prior to enlisting Clug as his "right-hand man" in 2010 to launch PanAm, Aurum and Corsair, Div. FOF 23, Crow had tried and failed at numerous ventures over the previous two decades, and Crow's liabilities in his January 2010 bankruptcy Petition reveal more than a dozen unpaid business-related debts. Div. FOF 13.[1]

2. Angel Lana was the tax accountant for Clugs father. Lana did not know Crow before an introduction in late 2012. Clug approached Lana to be involved in Pan Am Terra and then Aurum Mining LLC in 2011. Ex 3.

Division Response: No dispute.

3. The 2008 Litigation of Crow and the SEC was over administrative mattes, with Crow not having a license in a broker dealer , not over fraud, as was clearly stated in the press quote from the SEC" Even in the absence of fraud, we pursue administrative matters seriously", and is not related to the issues in this matter other than as

[1] "Div. FOF" refers to Division's Findings of Fact submitted on September 3, 2015. "Div. COL" refers to Division's Conclusions of Law submitted on September 3, 2015. Crow only numbered a portion of his proposed findings, followed by pages of other proposed findings that are not numbered. For the numbered portions of Crow's Findings-of-Fact (Crow FOF), the Division's responses adhere to the numbering used by Crow. For the portions of the Crow FOF that are not numbered, the Division provided responses in a logical manner to respond to all his proposed findings.

may be disclosed in PPM or similar documents. EX 34.

Division Counterstatement: Div FOF 5-8 provide a more complete description of the 2008 District Court proceedings against Crow.

4. The consent decree settling the Civil litigation with the SEC in 1996 was done with "neither admit nor deny" and there were NO findings of fact or similar regarding any fraud Crow paid no penalty or money to the SEC.

Division Counterstatement: The 1998 District Court Judgment required Crow to pay disgorgement of $1,248,444 and prejudgment interest of $255,773. The Court, however, did not require Crow at actually pay this amount because of payments made by Crow to settle a related class action lawsuit. Div. FOF 3.

5. Crow had experience in many areas of business and worked in international business. Clug had experience in many areas of business including international. Clug is fluent in spanish. Ex 3..

Crow and Clug cooperated fully with the Division, even involuntary discovery of documents. Over 30,000 emails were produced. NO records have been destroyed or not provided. FOF.

Division Counterstatement: Crow and Clug did not cooperate fully during the investigation. Although they did produce documents pursuant to investigative subpoenas, they refused to produce bank records from Peru, which necessitated efforts by the staff to obtain records through the SEC's Office of International Affairs.

6. Lana entered into a voluntary settlement with the Division. Lana testified he believed he did nothing wrong and settled for economic reasons EX Wells.

Division Counterstatement: Unlike Crow and Clug, Lana took

responsibility for his conduct and agreed to a consensual resolution of the proposed charges that included payment of a penalty and suspension from appearing or practicing before the Commission as an accountant. Div. Ex. 803.

7. Lana filed a Wells Notice in 2011. The Wells notice, submitted under oath, stated Lana did not commit any infractions of securities laws, that Lana received legal approval on the $ 75,000 Pan Am stock sale of Crow, that Lana knew and believed Crow was not a control person, officer, or director of Pan Am, that Lana always informed his investors in Aurum of the facts and information, never drafts, as best he knew it, including giving them copies of the audited financials by BDO. Tr 977:4-9, Tr. 979:9-13, Ex Wells.

Division Counterstatement: Lana's Wells submission was not "submitted under oath," it was written and signed by Lana's counsel at the time.

8. No Pan Am investors ever filed a civil, or regulatory complaint with the SEC. No Pan Am investors voluntarily contacted the SEC. FOF.

Division Counterstatement: No dispute that PanAm investors did not file their own lawsuits against Crow and Clug. No dispute that PanAm investors did not initiate contact with the SEC.

9. NO Aurum investors ever filed a civil, or a regulatory complaint with the SEC. NO Aurum investors contacted voluntarily the SEC. FOF. Some investors told Crow and Clug that they were being pressured by the SEC to testify Tr 1446:13-18.

Division Counterstatement: The only evidence of any witness "being pressured by the SEC to testify" was Crow's own testimony at the hearing in which Crow recounted an out-

of-court conversation that Crow supposedly had with an investor named Chris Leach. Tr. 1446:13-18. Crow also testified that "I'm still in very close contact with Chris, and we're friends, and . . . . he has no [issues]." Tr. 1447:1-3. *See also* Division Counterstatement to Crow FOF 8.

10. Of the 34 accredited Aurum investors, the only investors that testified, Messrs, Hollander, Melnick, Stern testified only because they were under subpoena and compelled to testify. Tr 171:3

Division Response: As is common in most trials, the testifying witnesses, including those called by Respondents, received Subpoenas.

11. Weismann is not a Manager , Director or Officer of the LLC that was the investor in Aurum Mining LLC. Weismann did not sign the investor subscription documents. Weismann is the husband of Sterns daughter, and not an investor, as testified by Stern his father in law Tr176: 23-25 , Tr 177:2-4.

Division Counterstatement: Richard Weissman's investment in Aurum was through MWR Purchasing Group LLC, an entity owned by his family. Weissman was a manager of MWR. Tr. 304:19-305:8 (Weissman: "I was a manager [of MWR]. It actually received income from consulting services that I had done").
Simon Stern is Weissman's father-in-law. To benefit his grandchildren (Weissman's children), Stern provided the $100,000 that MWR invested in Aurum. Stern obviously did not concur with Weissman's skepticism regarding Aurum, and Stern testified that "[Weissman has] done nothing but badmouth the situation to me since it occurred." Tr. 176:8-20.

12. Weismann is NOT an investor in Aurum. Tr 177: 2-4 The money provided to make the investment came from Stern and was for his daughter. Tr 177: 2-4 Weismann testimony not reliable as he cant remember anything with specificity, and contradicts himself as when he testifies he " cant remember if he had a phone call with Crow...he

might have....it could have been alex"...and "that he is .. not remembering the specifics at all.".Tr 343:5-25. And even when prompted by the Division to remember the call from emails about proposed calls, he states "..I remember solely based on this email..and couldnt swear if it was Alex or Crow.." Tr 352 : 2-16. Weismann testimony should be disregarded as not factual and not evidence and not relevant as he is not an investor.

Division Counterstatement: Weissman is an investor and the money provided Stern was for the benefit of Weissman's children. See Division Counterstatement to Crow FOF 11.

13. Investors in Aurum were not dissuaded by Crows background issues with SEC litigation or his prior bankruptcy. NO one declined to

14. invest when it was included in the PPMs from December 2011 and later, or they found out about it. Tr Tr 108: 15-16, Tr 1539: 1-17, Tr 1538: 13-17, Tr 1545 : 9-14. Over 90.5% of the funds were invested from the 2012 PPM and later which included disclosure on Crow , see FOF below.

Division Counterstatement: Aurum's investors placed great importance on the character and background of Crow and Clug. Stern testified that he relied on "the caliber of the people" as well as "their integrity, their honesty, their character." Div. FOF 384, 286. Hollander and his father only invested after they felt they understood Crow's background. Div. FOF 385. Lana and Clug emphasized Clug's military background, rather than Crow's past. Div. FOF 387-389. Crow's background was never fully disclosed to Aurum investors. The vague and piecemeal disclosures in two of Aurum's four PPMs are not sufficient. Div. FOF 391-397.

15. All of the PPM were completed with accredited investors only.

Division Counterstatement: The evidence does not prove that all Aurum investors were accredited.

16. All of the investors were accredited and knew of the risks and viewed the Aurum investment as risky or extremely risky and did not rely on the projections or any representations by management. Tr 1518:11-18, Tr 120: 5-20, Tr 118: 23-25, Ex 38.One of the three investors the SEC forced under sub poena to testify,Hollander, stated when asked about the Aurum investment, " I knew it was risky, and I knew that I had the money to invest and was willing to risk it. I knew both Michael and Alex were learning the business, they didnt have a lot of experience, but were using local experts to advise them and get the business going. So it was- it was a calculated risk that I was willing to take" Tr 1518: 11-18. Regarding the reliance on the projections, Hollander further testified, that Clug" absolutely" told him the projections were not accurate. Tr 1559: 10-12, Tr 1560: 1-8. Investors that also volunteered to testify for Respondents, such as Ferralito, also agreed they knew it was risky and believed in the Managers of Aurum. Tr 1986:3-10, 1988: 5-17.

Division Counterstatement: The risk disclosures in the PPMs, Quarterly Reports and Business Plans focused on the obvious risks associated with gold mining in South America. The risks that harmed investors, however, were the numerous misrepresentations and omissions made by Crow and Clug. For example, Crow and Clug had told investors of their disastrous experience in Brazil, that the Closing Conditions were never met and that the testing results were abysmal.

Hollander – who was called by Clug, not the Division – testified that he never knew about the Park and Daubeny reports, and Hollander also never heard of the data room. Div. FOF 381, 400.

17. The 3 investors forced to testify under sub poena by the SEC ,

18. Melnick, Stern, Hollander, at the hearing all testified they read and understood the PPM, Tr 102:13-21, Tr 103: 20-21, Tr 114: 5.

Division Response: Not disputed.

ABS

1. ABS was a fund formed by Cody Price. ABS was for accredited investors only. Crow, Clug and Lana had no interest in ABS Fund. FOF

Division Counterstatement: No dispute that the ABS Fund was formed by Cody Price. There is no evidence that ABS was for accredited investors only. Crow, Clug and Lana, through the Referral Agreement and Advisory Agreement between Corsair and ABS Manager, had an interest in ABS. Div. FOF 517-518, 542. Through his arrangement, Corsair obtained $39,563 in fees from ABS. Div. Ex. 2A at 18.

2. Cody Price was introduced by Eric Rice a business associate of Crow. Crow introduced ABS Fund to Lana and Clug.

Division Counterstatement: No dispute.

3. Lana, Clug and Crow all completed due diligence on ABS Fund. Lana did " a lot of due diligence " on ABS. Tr:114 : 15-25.

Division Response: The transcript citation from Melnick's testimony provides no basis for the statement regarding Lana. In any case, Corsair did not perform any work for ABS; all they did was engage in activities they call "due diligence" on ABS to facilitate investment by their referrals in ABS. Div. FOF 543; see also Division Counterstatement to Crow FOF 6.

4. Corsair entered into a first agreement with ABS Fund. The agreement had written additions requiring an opinion by company

legal counsel that it was acceptable. The Agreement specifically states that Corsair : Is not acting as a broker dealer and is not registered as a broker dealer" Ex 90, 91.

Division Counterstatement: Resp. Ex. 90, which is dated April 1, 2011, likely predates the formation of Corsair and was not countersigned by anyone from Corsair. The first agreement between Corsair and the ABS is the Referral Agreement dated January 2012. Div. FOF 517. Resp. Ex. 91 appears to be an advisory agreement between Corsair and ABS erroneously dated June 1, 2011, instead of June 1, 2012. Div. FOF 542. No dispute that the Corsair-ABS Referral Agreement states that Corsair is not a FINRA registered broker-dealer and that it "has been advised by company counsel that it is exempt or excluded from registration." Div. Ex. 199 at 2, 4. However, there is no evidence that Corsair ever obtained such advice from counsel.

5. After counsel review, Corsair shortly thereafter superseded that agreement with a new agreement and changed the method of payment to a flat fee. Ex 91, 128 and Tr 1842:19-25.. Lana testified "that Brantl reviewed all these types of contracts". Tr 976:1-5.

Division Counterstatement: There is no evidence that Corsair obtained any legal advice from counsel regarding its broker-dealer activities. The change to a flat fee was merely a ruse to continue the payments from ABS for the investor referrals. See Div. FOF 541.

6. Corsair performed services such as review of all materials, introduction to CPA firms for an audit, introduction to third party administrators for valuation of the ABS assets and handling of the investor funds, marketing strategies and consulting. ABS needed help in administration, accounting, third party services, Clug Tr: 1942:3-14. Ex 92, 93.

Division Counterstatement: There is no evidence substantiating these services purported to be performed by Corsair. Div. FOF 543.

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Resp. Ex. 92 is a document dated January 30, 2012. In any case, the "due diligence" activities listed in Resp. Ex. 92 appear to be incidental to Corsair's recommendation of the ABS Fund to investors following the Referral Agreement signed in January 2012. Div. Ex. 235. Resp. Ex. 93 does not show any work performed by Corsair for ABS, it is merely a two-sentence email in which Clug makes an "Introduction" to ABS.

7. Corsair and , with Crow and Clug as the two officers and directors, never made any introductions to investors, other than Clug's father by Clug. Tr 973 : 1-6. , Tr 1949 : 14-22. ,Tr: 1041:1- 23, and 1042: 1-3.

Division Counterstatement: Crow and Clug were instrumental in getting Swirsky to invest in ABS. Div. FOF 524. In addition, after the ABS meeting with Aurum investors in Florida, Jay Cowan emailed Clug to thank him for "drop[ping] everything to drive us around and introduce us to your valued clients." Div. FOF 520. Furthermore, Lana, with the full knowledge and encouragement of Crow and Clug, referred investors to ABS while acting as Corsair's CFO. Div. FOF 522-523, 526; Div. Ex. 241.

8. Lana introduced ABS to some of his investors in his sole discretion. Lana "made all the investor introductions personally and then they dealt with him " with Crow and Clug having no involvement. Tr 973:1-6."Lana did not receive any compensation for these introductions. Tr 972 : 21-23. Tr 973: 7-11.

Division Counterstatement: Lana, with the knowledge and encouragement of Crow and Clug, referred investors to ABS while acting as Corsair's CFO. Div. FOF 522-523, 526; Div. Ex. 241. Crow and Clug were actively involved as described in Division Counterstatement to Crow FOF 7. Crow and Clug were also copied in emails between Lana, ABS and investors. See e.g. Div. Exs. 241, 243, 244, 247. No dispute that Lana received no compensation from Corsair.

9. Lana "didnt think anyone was getting commissions" Tr 973: 12-16.

Division Counterstatement: Lana testified as follows: (Q: Was it your understanding that anyone was receiving commissions for investors in this fund? A. It wasn't. I mean, obviously, I was shown some e-mails this morning in the trial that showed payments, but, you know, I --.") Tr. 973:12-16.

10. ABS sent a pre qualification letter to each potential investor. ABS handled all communication and presentation of the Fund directly with each potential investor. Crow and Clug were not involved in any of these direct investor discussions on the Fund, its terms, risks, or any details about the Fund. TR 973:7-11, 1-6, Tr 972: 21-23.

Division Counterstatement: See Division Counterstatements to Crow FOF 7 and 8.

11. Cody Price entered into a voluntary settlement with the SEC where

12. there were no findings of fact and no recovery of any funds for investors as they are expecting to recover the assets from their brokerage firm Smith Barney, in a FINRA arbitration.

Division Counterstatement: No dispute that a final consent judgment was entered against ABS and Cody Price which ordered them to pay a total of $512,648.83 in disgorgement and civil penalty. Div. FOF. 544. There is no evidence that ABS and Cody Price are entitled to recovery of any assets from Smith Barney.

13. Corsair had no other activities or consulting contracts for any introductions of sources of capital ,other than the first ABS contract.

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Corsair had consulting contracts, with no responsibilities for providing introductions to capital sources, with Pan Am Terra, and Aurum Mining LLC. Corsair was not in the business of introductions to capital. FOF 1-11 above. Ex7,82.

Division Counterstatement: Corsair's Advisory Agreements with PanAm and Aurum required Corsair to assist PanAm and Aurum with equity or debt financings. Div. FOF 439; Resp. Ex. 7.

Pan Am Terra Inc.

1. Ascentia Biomedical was a former portfolio company of DC Associates. It was renamed Pan Am Terra Inc. Clug as the sole manager of DC Associates which managed this portfolio.

Division Response: No dispute.

2. Crow and Clug had discussed forming a farmland company and investing in Latin America farmland since 2005. FOF.

Division Response: No dispute.

3. MW Crow Family LP invested the start up capital of $ 25,000 in a convertible note with a blocker of 4.9%. Ex 79, 80. and FOF.

Division Counterstatement: No dispute that Michael Crow and MW Crow Family LP collectively provided $25,000 loan to PanAm for which PanAm subsequently issued a convertible note to Pacific Trade. Div. FOF 456-458.

4. Clug became the CEO ,and Lana the CFO at Clugs request of Lana. Clug received advice from legal counsel, Brantl, about the limits of Crow involvement . Tr 1484: 14-16.

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Division Counterstatement: No dispute, except that there is no evidence Clug sought or received legal advice from Brantl regarding Crow's involvement in PanAm while Clug was CEO.

5. Lana not certain when Pan Am became a public company Tr 912:21-25, 913 : 1-7. Crow thought it was not public until the stock symbol was approved and it traded, Ex 84.

Division Counterstatement: Crow knew that by filing a Form 10 with the Commission in April 2011, PanAm became a public company. Div. Ex. 39 (3.29.11 Crow email to Simon Leach that PanAm "form 10 being filed this week for it to return as a US public company"). No dispute that Lana gave such testimony.

6. Pan Am Terra formulated a business plan as a start up to develop a management company that would find, due diligence, and acquire farmland in Latin America. Pan Am Terra plan was to be the management company and would not own the farmland directly, as it would raise funds for each deal ,on a stand along basis, and manage it for large institutional investors. Ex 77.

Division Counterstatement: PanAm represented to investors that it would own farmland in Latin America. Div. FOF 494. Resp. Ex. 77 at 21 states:

"By the end of our third year when we project to own 20,000 hectares with a value of $280 million our company, using the 1.5 multiple, would have an enterprise value of approximately $500 million. This would represent more than a six-fold increase in per share price."

7. Clug asked Crow for suggestions to the Pan Am Board of Directors. Tr 2084:1-18, Clug further testified that "Crow never told him to put anyone on the Board of Directors" Tr 2082: 13-18. and that Clug " had the final say" Tr 2084:20-21. Crow suggested Ross,

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Mooney and Najor. Clug had a prior relationship with Ross as well from the DC Associates days in NYC. Clug rejected Najor. Tr 2082: 19-25, 2083: 1-7, 2083: 12-18. Clug also solicited on his own Gewanter. TR 1825: 5-13, 21-25. Tr 2084: 1-18, 2084:20-021.

i. Crow was not an officer, director or control person of Pan Am Terra in any filings or forms. Ross ,Lana ,Clug, Mooney and Brantl were all aware of Crows restrictions on serving as an officer or director or control person of any public company. Tr 163718-22, Tr 960: 6-9, 960: 10-13, Ex 27.

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Division Counterstatement: No dispute that Clug gave such testimony. Crow selected Mooney to serve as a director of PanAm. Div. FOF 411-413. Crow also tapped Najor to act as a director. See Division Counterstatement to Clug FOF 6. There is no evidence that Najor did not become a director because Clug rejected him. Crow was also instrumental in hiring Ross as PanAm's CEO. Div. FOF 428-437. No dispute that Crow was not identified as an officer, director or control person in any of PanAm's filings with the Commission. No dispute as to the statement that "Ross, Lana, Clug, Mooney and Brantl were all aware of Crow's restrictions on serving as an officer or director or control person of any public company."

8. It is customary and normal for a Board and CEO to use consultants and also consult with shareholders, private or public Tr 1671: 7-9.

Division Counterstatement: The citation provides no support for the statement.

9. Every Board Member and Officer (Clug, Lana, Mooney, Ross and Gewanter) testified that Crow is not an officer , director or control

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person of Pan Am . Tr 1640:20-24, 1641: 1-13, Tr 1839:3-11, Tr 987:5-10, Tr 987:12-16,

Division Response: No dispute.

10. Gewanter, a Board Member said : "Crow had nothing to do with the Company" : Tr 1831:19-25. Gewanter said further when asked if Crow needed to be disclosed, " there was no reason for him to be disclosed. He had nothing to do with the Company. He was not responsible for running any aspects of the Company. He was not a director. He did not have any authority to do anything for the Company, so no is the answer". Tr 1839 : 3-11. Tr 960: 6-9,

Division Response: No dispute.

11. Crow was not a signer on any bank account, approved no expenses or personnel, and had no authority to bind the company Tr 1638:20-25, Tr 1829: 15-19, Tr 967: 21-25, Tr 968: 1-3,

Division Counterstatement: No dispute that Crow did not have signing authority over the PanAm accounts. Crow negotiated deal terms with Mickelson on behalf of PanAm. Div. FOF 417.

12. Crow never participated in any Board meetings or corporate meetings and several times excused himself from meetings when the subject was one that would possibly construed as a corporate matter for Officers or Directors only Tr 2085: 14-25, . Tr 987:17-20, Tr 987: 23-25, 998: 1-5., Tr 987: 12-16.

Division Counterstatement: PanAm held only one board meeting and Crow made a presentation to the board at that meeting. Div. FOF 442-444. Crow also participated in corporate meetings held between PanAm and its potential

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business partners, including the conference call with Ariel Investment from Uruguay. Div. FOF 420. No dispute that Lana recalled one instance where "Alex and myself were in in the conference...and we were discussing PanAm Terra business. And you (Crow) happened to walk in and immediately Alex said, we're discussing PanAm Terra. And you – you said, oh, and you immediately walked out and left." Tr. 987:12-988:3.

13. Crow objected to many matters of Pan Am including the performance of Lana as the CFO and Clug did not agree and took no actions. FOF.

Division Counterstatement: No dispute that Crow was not satisfied with the performance of Lana when it came to the SEC filings. Clug agreed with Crow on Lana's performance in that regard and pressured Lana to complete the filings. Div. FOF 409. Crow provides no evidence of any other instance in which Clug did not agree with his "objections" in PanAm matters.

14. Crow never influenced, pressured or attempted to influence the Board of Directors. Tr 1640:3-21, 1829: 20-25, 2086: 1-9

Division Counterstatement: Crow exercised strong influence over Chad Mooney regarding PanAm matters. Div. FOF 413, 440, 509. In February 2013, Mooney wrote to Ross that Crow "strongly encouraged a board call/meeting" and that Crow "wants this much farther forward." Div. Ex. 557 at 1.

15. Ross "never took any directions from Corsair". Tr 1640:3-21.

Division Counterstatement: No dispute that Ross gave this testimony. But see Div. Ex. 489 (10.14.12 Crow email to Ross: "Please get the presentation updated to add the offices, people and such, including the financial summary alex did (although I would take assets under mgt up to $ 5 billion as well to show big numbers..) and the mtg is moved up to 9 am wed"). See also Div. Ex. 492 (10.18.12 Ross reporting to PanAm board members on Wednesday's meeting he and Crow had with Mickelson).

16. Ross was a well qualified and independent CEO with a lot of experience in public companies. Ex 4.

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Division Response: No dispute.

17. Crow had no operations role in the Company, Tr 1638:20-25., Tr 987: 12-16, Crow did not go on any business trips with Ross. Tr 1625: 16-21. Tr 1834: 1-7, Crow never met with the Uruguay firm engaged to do the Purchase of the farmland and never met with them on any trip Tr 1376: 4-6.

Division Response: No dispute that Ross testified that Crow did not have any involvement in the operations of PanAm and that Crow did not accompany him on any trip to Uruguay. No dispute that there is no evidence of Crow meeting with the Uruguayan firm (Ariel Investment) on any trip. However, Crow arranged a meeting in Peru between himself, Ross and an individual that Crow wrote was a former Minister of Agriculture in Peru. Div. Ex. 479 (10.04.12 Crow email to Ross: "Welcome to Lima...very busy days tomorrow, we have lunch with ex minister of agriculture for Peru, and others...One of our contacts from Sao Paolo (ex west point guy) will also be here and can be our guy for capital, farms and deals in Brazil...that will give Pan am offices in Lima, Sao paolo and Montevideo.")

18. Crow gave recommendations to the Company and many of them were not followed such as firing Lana the CFO, Tr 1657:17-21, Fof 16 above.

Division Counterstatement. There is no evidence that Crow recommended that Lana be fired as CFO of PanAm; Crow only threatened such action if Lana did not complete the filing. Div. FOF 427.

19. Ross "took the lead with Mickelson Capital after the introduction meeting and Crow attended no further meetings" Tr

1625:4-10.

Division Counterstatement: Crow took the lead in the negotiations with Mickelson as is evident in the emails between Crow, Ross and Simon Leach of Mickelson. Div. FOF 415-417.

20. Crow acted solely as a consultant and never as a officer director os control person of Pan Am Terra. Tr 1637:18-22. Mooney statement Ex , Tr 960: 10-13, Tr 987:12-16, Tr 987: 23-25,Tr 987:2-4, Tr 960: 10-13,

Division Counterstatement: There is no evidence of any agreement between Crow and PanAm to act as a consultant to PanAm prior to the Corsair-PanAm Advisory Agreement dated July 6, 2012. Clug confirmed to Pennaluna (PanAm's potential market maker on the OTCBB) in April 2012 that "PanAm Terra is not currently working with any consultants." Div. FOF 499.

21. Crow wanted liquidity for his investment. Crow had a need for funds and asked Clug and Lana for ideas on how to sell or convert the $ 25,000 note.

Division Counterstatement: No dispute that Crow wanted liquidity for his PanAm investment and that he had a need for funds. The evidence indicates that the idea to convert and sell the $25,000 convertible note came from Crow. Div. FOF 463-465.

22. Lana rejected Crow suggestion of a loan against the Note, and suggested a sale of shares completed through him at a 50% discount to the last price of Pan Am.Tr 1394: 11-21, Tr 950: 1-5, 949 :Tr 9-25.and Ex Wells.

Division Counterstatement: The transcript citations and Lana's Wells submission do not provide support for this statement. No dispute that Lana recommended the sale of the shares to three investors.

23. Lana consulted with Brantl and received approval for the sale

and structure. TR 935:9-18, Ex Wells . Lana asked Brantl if " he was certain"and Brantl replied "yes, it can be done" Tr 957:10-25. When asked if he told Brantl of " all the facts" Lana replied " absolutely all of them" Tr 958: 1-10.. Tr 1002: 21-25, 1003: 1-16.

Division Counterstatement: No dispute that Lana gave this testimony, but there is no evidence that Lana ever sought or received legal advice from Brantl on this transaction or that Brantl was even aware of it. Div. FOF 466.

24. Ross and Lana routinely consulted with Brantl on all legal matters including the stock sale and filings Tr 1630:7-10. Tr 947:4-20.

Division Counterstatement: There is no evidence that Ross "routinely consulted" with Brantl on all legal matters and no proof that Brantl was even aware of Crow's note conversion and sale of shares to three investors. Div. FOF 466.

25. Lana selected and introduced the opportunity to 3 accredited investors. Tr Lana did not tell them the seller was Crow. Tr 927: 1-10., Tr 66:13-17, Lana did not tell them the shares were from Pan Am Terra. Tr 927: 1-10,Lana did tell them it was a good price at 50% of last round Tr 927:11-13, , and he believed in Pan Am and its future stock value and that his clients were getting a good deal Tr 958:6-9, Tr 1723:23-25, 1724: 1-3..

Division Response: No dispute that Lana provided this testimony, except that Lana did not testify that he "selected" the opportunity.

26. Lana handled all direct communications with the investors.

Division Response: No dispute that Lana handled all direct communications with Melnick, Stern and Ramirez, the investors who purchased Crow's PanAm shares.

27. Crow had no communications with these investors on this sale. Tr 992: 13-15, Tr 74: 8-9, Tr 81:10-13. Lana received the funds and sent them to Crow in September 2012. Crow did not know the names of the investors and Lana sent an instruction to Crow with the name sand details of the Buyers in October. Tr 992: 16-18..

Division Counterstatement: No dispute that Crow did not directly communicate with the three investors who purchased his shares. However, Crow provided Lana the letter outlining the terms of sale which Lana used to solicit the investors. Crow also knew the name of at least one of the investors at the time of the sale. Div. FOF 480; Div. Ex. 472 (09.18.12 Clug email to Crow that "[Lana] says your $25k from Ramirez on track.")

28. Ross was aware of the transaction as well. Ross worked with Lana and Brantl to " make sure all was recorded properly". Tr 1631: 20-24.

Division Response: No dispute that Ross gave this testimony.

29. Crow sent instructions to the transfer agent and Company in November 2013 to convert the shares and issue them to the investors.FOF.

Division Response: No dispute that Crow sent such instructions to Clug, Lana and Ross in November 2012 to issue shares to the investors "from the conversion of the note in the amount of $25,000." Div. FOF 485.

30. Lana believed the actual conversion of the shares and the proper accounting of debt to equity, was with the Crow instruction in November 2012.Tr 994:1-9, The conversion of debt to equity would be

recorded in 4th Quarter 2012 in the Pan Am 10Q and was beneficial to

the Company as it reduced its debt Tr 994:20-24. Tr 1411: 15-25.

Division Response: Lana testified that: "It's my opinion that the transaction would have been recorded when – when the actual shares were actually issued by the transfer agent" and that "in November is when you (Crow) sent the transfer agent that request." Tr. 994:3-9. Lana further testified that he generally would have disclosed the Crow note transaction as a subsequent event. Tr. 994:14-20. The remaining statements in this proposed finding are not supported by their citations.

31. Pan Am filed its 3rd Quarter 10 Q 2012 and Lana was the CFO

and Ross the CEO. There was not a 4th quarter 10Q as Pan Am

withdrew from its filings obligations Form 15. Lana and Ross would

have any responsibility for any disclosure, if required, as a subsequent

event. in Q3. Lana testified "he was responsible", and that "he did

NOT believe disclosure of the conversion was required", but "wishes

he would have disclosed it anyway as a subsequent event" Tr 994:

1-19, Tr 1409: 4-13

Division Counterstatement: Quoted testimony not supported by transcript citations. No dispute that PanAm filed its Form 10Q for 2012 Q3 and that Ross was the CEO and Lana the CFO of PanAm at that time. No dispute that Lana as CFO and Ross as CEO were responsible for making subsequent event disclosures in PanAm's SEC filings. No dispute that PanAm did not file a Form 10Q for 2012 Q4 and that it filed a Form 15 in May 2013. No dispute that Lana testified he generally would have disclosed the Crow note transaction as a subsequent event.

32. The CPA for Pan Am, Hartman, testified "the sale of private

shares between shareholders is NOT required to be disclosed for Pan

Am". Tr 496: 21-25, Tr 497 : 1-3..

Division Response: Hartman testified that such private sales "would not be recorded in the financial statements." Tr. 496:21-

497:3.

33. Hartman further stated there " is no requirement to report the sale of shares between private shareholders to the auditors" Tr 497: 13-16.

Division Counterstatement: No dispute, except that Hartman also testified that "[t]here would be a requirement to – to report the conversion of the shares." Tr. 497:4-7.

34. Hartman further testified that " there is no problem with the note extensions ... and its normal and customary..." Tr 493: 18-23.

Division Response: No dispute that Hartman testified that he did not have any problems with the note extension and that it was standard course for small companies. Tr. 493:18-23. The citation does not reflect the quoted language in this proposed finding.

35. Hartman testified "the debt conversion was properly recorded in the financials of the Company" Tr 494: 10-13, Ex 79,80.

Division Counterstatement: Hartman's testimony was about the note extension and not the conversion. The quoted language is erroneous and misconstrues Hartman's testimony. Tr. 494:3-13 (Q. Under "maturity date," it's (Div. Ex. 477) crossed out and extended to 2015; is that correct? A. Yes. Q. And it's also been extended to three years? A. Yes. Q. So it was properly recorded in the financial statements as to those terms for that year? A. For the terms as stated, yes.") Hartman's testimony is clear that the note conversion was not properly recorded. Div. FOF 490.

36. Hartman testified "Ross and Lana were the responsible officers to file the Form 10Q for the third quarter." Tr 498:19-24 and that" management is responsible to give him that information". Crow and

Clug were not management of the Company and were not the responsible parties if any information would have been required . Tr 503 : 1-23.

Division Counterstatement: The quote "Ross and Lana were the responsible officers to file the Form 10Q for the third quarter" is not based on the transcript citation. Hartman testified that "[i]t would be anyone from the company, but primarily it's management who was responsible for" providing the information on the conversion. Tr. 503:1-6. At the time of the Crow share sale, Clug was Chairman of PanAm and Crow was acting as a de facto officer and control person of PanAm and they both communicated with Hartman about the note extension after the sale transaction. Div. FOF 438-440; 480-484.

AURUM MINING LLC

Background

1. Aurum Mining LLC was formed by its three Managers Lana, Crow and Clug. The Class A shares were owned by the investors. Aurum Mining LLC owned 80% of the shares of Aurum Mining Peru SAC (with the other 20% owned by local Peru managers and partners) and 100% of Alta Gold SAC.

Division Response: No dispute.

2. Aurum Mining LLC made all the offerings through accredited only private placements (PPM) from 2011-2013 in a series of offerings. Ex 38., 38b.

Division Counterstatement: No evidence that all investors in Aurum were accredited. Aurum provided no backups, such as tax returns, demonstrating that every single investor in Aurum was an accredited investor.

3. the offerings and the money raised in each was as follows:

i $ 250,000 convertible note, April 2011.(converted into the September 15, 2012)

ii $ 115,000 August 2011 PPM, later rescinded and investors elected to invest in the December 2011 PPM.

iii $ 115,000 December 2011 PPM.

iv. $ 1,885,000 September 15 2012 PPM

v. $ 1,646,715 January 1, 2013 PPM.

Division Counterstatement: There is no evidence that Aurum offered rescission to any investor. Aurum received the $250,000 proceeds from the convertible notes in June 2011. Div. Ex. 2A at 10. The conversions from note to equity occurred in January 2012 after the investors received the PPM Update Letter representing that the Batalha closing conditions in the August 2011 PPM had been met. Div. FOF 147-150. More than $115,000 was raised under the December 2011 PPM. Aurum raised much less than $1,885,000 under the September 2012 PPM and much less than $1,646,715 under the January 2013 PPM. The table in Clug FOF 120 provides a better, though not entirely accurate, summary of the Aurum PPM offerings. See Division Counterstatement to Clug FOF 120.

4. Crow, Clug, Lana reported all the key metrics in each PPM from sources obtained from the Brazil or Peru operations. Sources were included in data room for review by Member as well. All PPMs reviewed by Brantl legal counsel and included detailed and specific disclaimers for each important metric, e.g. gold ounces potential. Tr 2088:1-18, Tr: 2087:9-25,Tr 2072: 10-25, Tr 2073: 1-5, Tr 1502:3-5, Tr 1510:9-10..

Division Counterstatement: Crow and Clug representations in the PPMs regarding Aurum's operations in Brazil and Peru contain

numerous inconsistencies with the reality on the ground. See generally Div. FOF 166-314; 367-374. See also Division Counterstatement to Clug FOF 142. The data room was not accessible and contained little information that was useful to investors. Div. FOF 375-379. No dispute that Aurum's PPMs contained certain disclaimers or risk disclosures.

5. Examples, of just some of the disclosures and risks, of language in each PPM are as follows (Tr 1737:12-20).:

Examples of General Risk Disclaimers and links to data room , in PPMs

"This Memorandum does not purport to be all-inclusive or contain all information that you may desire in investigating us and purchasing the Class A Membership Units. You may make inquiries and obtain certain additional information by contacting the Managers. Access to the data room which contains due diligence materials has been provided to you and is available at: http://www.box.net/shared/5luyee0bu52rztti8ixn . See: "Additional Information" herein. However, any additional information or representations given or made by us in connection with this Offering, whether oral or written, are qualified in their entirety by the information in this Memorandum, including the risk factors. Ex 15 page 2 August PPM, Front pages December PPM, Ex 73 Front Pages September 2013 PPM, Ex 74 Front Pages December 2013.

Division Response: No dispute that all of Aurum's PPMs contained this disclosure and a www.box.com web address. By Aurum's PPMs, the Division refers to the PPMs dated August 1, 2011 (August 2011 PPM), December 31, 2011 (December 2011 PPM), September 15, 2012 (September 2012 PPM), and January 1, 2013 (January 2013 PPM).

The purchase of the Class A Membership Units is speculative and involves a high degree of risk. Investors who cannot afford the loss of their entire investment should not purchase Class A Membership Units. (See "Risk Factors"). Ex _ page 9 August PPM, Ex 15 page 10 December PPM, Ex 73 Page 10 September PPM, Ex 74 page 10 December 2013

Division Response: No dispute that all of Aurum's PPMs contained this disclosure.

Business Plan Discussion and Brazil

The business plan of Batalha JV is subject to a high degree of risk of failure and operates in a foreign country. Until the equipment is installed and purchased, gold is processed and operations continue for some time, the Company and its Managers cannot accurately determine the amount of recoverable gold in the Initial Parcel. In addition, the Initial Parcel is located in difficult terrain, and the project of installing our equipment, operating the equipment, logistics of the mine and its management of employees, and delivering the gold to market will require complex logistical determinations that, if faulty, could result in a loss of equipment and/or gold. Gold operations are extremely risky and speculative. Ex 5 Page 9, August 2011PPM, Ex 73 page 4 December 2012, Ex 73 page 4 September 2012, Ex 74 page 4 December 2013.

Division Response: No dispute that all of Aurum's PPMs contained a form of this disclosure, except that the first sentence does not state "[t]he business plan of Batalha JV"; it states "[t]he business plan of Aurum." In addition, the "Initial Parcel" in the August 2011 and December 2011 PPMs is substituted with the "Mining Concessions" in the September 2012 and January 2013 PPMs.

Members should expect that a significant number of the properties acquired and tested will not prove to be economically viable. Also, a delay in obtaining permits to mine or process minerals can significantly hurt the Company and its cash flow. The regulations surrounding permits and mining in Peru change frequently. Ex 74 page 5 December 2013 .

Division Response: No dispute that the January 2013 PPM contains this disclosure. Note that Resp. Ex. 74 is a PPM dated January 1, 2013.

The business plan of Aurum is subject to a high degree of risk of failure and it should be noted that it operates in a foreign countries. Until the equipment on the initial property, is installed and purchased, gold is processed and operations

continue for some time, the Company and its Managers cannot accurately determine the amount of recoverable gold in the Initial Parcel. EX 15, page 8 December PPM, Ex 73, Page 4 September PPM, Ex 74 page 4 December 2013 PPM

Division Response: No dispute that all of Aurum's PPMs contained a form of this disclosure, except that the first sentence does not state "[t]he business plan of Batalha JV"; it states "[t]he business plan of Aurum." In addition, the "Initial Parcel" in the August 2011 and December 2011 PPMs is substituted with the "Mining Concessions" in the September 2012 and January 2013 PPMs.

Disclosures on Projections in early PPL with Brazil.

The Company is including projections which are based upon its best estimates, values and variables from its Brazil partner and other sources. No assurance can be given that these projections can or will be achieved.See page 17 for major assumptions underlying these projections. See Risk Factors for discussion of

factors that may materially affect these results. Ex 5 page 12 August PPM. Ex 15 December PPM, ...NO further projections included in the PPMs after this date.

Division Response: No dispute that the August 2011 and December 2011 PPMs contain this disclosure and that the September 2012 and January 2013 PPMs contain no projections on the Batalha property in Brazil.

.....The projection must be understood, therefore, as merely a statement of the results we would expect if all relevant conditions remain unchanged and our underlying assumptions about the future proved accurate. Because those expectations and projection are very seldom fulfilled, the projection must be understood as a model for the purpose of explanation rather than as a prediction of something that we expect to happen. It should be assumed that these projections **WILL NOT** be achieved and only a good faith effort on the part of management is expected. Ex 5 Page 17 Paragraph 1 August PPM. Ex 15 Page 17 December PPM, ...No further projections included in the PPMs after this date.

Division Response: No dispute that the August 2011 and December 2011 PPMs contain this disclosure and that the September 2012 and January 2013 PPMs contain no projections on the Batalha property in Brazil.

Despite the logic used to formulate the projection, the extent to which the future will correspond to the projection depends on the validity of a large number of assumptions that support the projection. If one or more of these assumptions proves to be materially inaccurate, our future operations will differ materially from the projection. In addition, the projection may fail as a predictor if events that we have failed to anticipate in the projection occur and affect our operations materially - events such as changing government policies in Brazil, theft, catastrophes, management incompetence, and labor interruptions that we can dread but not effectively control. Ex 5 page 17 August PPM. Ex 15 page 19 December PPM, NO further projections included in the PPMs after this date.

Division Response: No dispute that the August 2011 and December 2011 PPMs contain this disclosure and that the September 2012 and January 2013 PPMs contain no projections on the Batalha property in Brazil.

The projections included in this Private Offering Memorandum are based on a series of assumptions which may not prove to be accurate.....Because of the unusual degree of uncertainty surrounding these factors, investors are encouraged not to rely on the returns and distributions shown in the projections. Ex 5 page 26 August PPM, Ex 15 Page 26 December PPM, NO projections included after this date.

Division Response: No dispute that the August 2011 and December 2011 PPMs contain this disclosure and that the September 2012 and January 2013 PPMs contain no projections on the Batalha property in Brazil.

The productivity and actual recovery of the Initial Parcel will be sufficient to generate at least 10 tons of gold on the Initial Parcel. The key to whether our operations are profitable is the average amount of gold that we process from the tailings and materials we process over our cost of production. The projections assume that we achieve one gram for each ton of tailings processed. While initial testing suggests that the tailings at the Initial Parcel can yield that quantity - indeed, may yield up to five grams per ton, we cannot develop a reliable estimate of the potential yield until we have significant experience in processing the tailings at this site. The reports so far have indicated a wide range of gold on the property and therefore an average may not be the best arithmetic calculation for the amount of gold on the Initial Property.Ex 5 Page 18 August PPM. NO further projections included in the PPMs after this date.

Division Response: No dispute that the August 2011 PPM contain this disclosure and that the December 2011, September 2012 and January 2013

PPMs do not contain this projection.

The productivity and actual recovery of the Initial Parcel will be sufficient to generate at least 1.8 tons of gold on the Initial Parcel. The key to whether our operations are profitable is the average amount of gold that we process from the tailings and materials we process over our cost of production. The projections assume that we achieve 2.47 grams for each ton of tailings processed. Only those areas where testing has shown a concentration of a minimum 0.7 grams/ ton will be processed. While initial testing suggests that the tailings at the Initial Parcel can yield that quantity, we cannot develop a reliable estimate of the potential yield until we have significant experience in processing the tailings at this site. The reports so far have indicated a wide range of gold on the property and therefore an average may not be the best arithmetic calculation for the amount of gold on the Initial Property. Ex 15 Page 17 December PPM, NO further projections included in the PPMs after this date.

Division Response: No dispute that the December 2011 PPM contain this disclosure and that the September 2012 and January 2013 PPMs do not contain this projection.

Note: This summary is a representation of the financial projections above for both the Initial Property in Brazil and the Peruvian projects. The notes and assumptions, as well as this entire Private Placement Memorandum, should be read carefully before deciding to invest. Investors should assume that this projected return is unlikely to be achieved although the assumptions underlying the projections are reasonable in the opinion of management. Ex 15 page 20 December PPM, No projections included after this date.

Division Counterstatement: No dispute that the December 2011 PPM contains the disclosure:

> "Note: This summary is a representation of the financial projections above for both the Initial Property in Brazil and the Peruvian projects. The notes and assumptions, as well as this entire Private Placement Memorandum, should be read carefully before deciding to invest."

The December 2011 PPM provided to investors (e.g. Div. Ex. 346) does not contain the following disclosure, which appears in Res. Ex. 15. There is no evidence that Resp. Ex. 15 was ever provided to any investor.

> "Investors should assume that this projected return is unlikely to be achieved although the assumptions underlying the projections are reasonable in the opinion

of management."

Division Response: No dispute that the September 2012 and January 2013 PPMs do not contain this projection.

.....The loans or capital funding are completed. Ex 15 page 17, December PPM, Nor further projections included in the PPMs after this date.

Division Response: No dispute that the December 2011 PPM contains this statement.

Aurum estimates to acquire an average of 3 projects per year in Peru. We are currently analyzing 6 potential acquisitions and do not believe that, in our niche of smaller mines, there will be a shortage of acquisition targets. But this may change,

and should we not be able to acquire 3 projects per year, then our projections would obviously change as well. Ex 15 page 20 December PPM, No projections included after this date.

Division Response: No dispute that the December 2011 PPM contains this projection and that the September 2012 and January 2013 PPM do not include this projection.

Risks on gold estimates..

While significant testing has been done on the tailings on Batalha's property, there is a material risk that the actual amount of gold recovered from each ton of tailings processed will be substantially less than that suggested by the testing. Testing on the property has been done through sampling of tailings on the site. Actual results may vary significantly, and there can be no assurance that the recovery rates shown in the samples will prove to be representative of the tailings that are actually processed. This risk may be higher because the gold recovered was from a relatively small number of the samples. Because the amount of gold recovered from these few samples was high, the average yield of gold per ton of tailings was increased materially. If the rate of gold recovery is less than projected, the financial results and profitability of Batalha will be less favorable than anticipated. If the rate proves to be less than .5 grams per ton of tailings, Batalha could fail. Ex 15 Page 25 December PPM, Ex 73 Page 11 September 2012 PPM , Ex 74 page 11 january 2013

Division Response: No dispute that the December 2011 PPM contains this disclosure. However, the September 2012 PPM and January 2013 PPMs do not contain this disclosure on Batalha.

The results of an investment in a Class A Membership Unit will depend on the ability of the Managers to secure additional financing. Ex 5 August PPM, Ex 15, Ex 73 Page 11 September 21012, Ex 74 Page 11 December 2013

Division Response: No dispute that the Aurum PPMs contains this disclosure.

We are a start-up operation with no operating history and no revenues to date. While the management of Batalha JV has substantial relevant experience in the industry, it is a newly formed entity with no operating history upon which to evaluate its future performance. A number of critical steps must be taken before Batalha JV will be in a position to begin operations. Ex 5 Page 25 August 2011 PPM, Ex 17 page 11 December 2011 PPM, Ex 73 page 11 September 2012 PPM, Ex 74 Page 11 December 2013

Division Response: No dispute that the August 2011 and December 2011 PPM contain this disclosure.

While significant testing has been done on the tailings on Batalha JV's property, there is a material risk that the actual amount of gold recovered from each ton of tailings processed will be substantially less than that suggested by the testing. Testing on the property has been done through sampling of tailings on the site. Actual results may vary significantly, and there can be no assurance that the recovery rates shown in the samples will prove to be representative of the tailings that are actually processed. This risk may be higher because the gold recovered was from a relatively small number of the samples.....If the rate proves to be less than 1 gram per ton of tailings, Batalha JV could fail. Ex 5 Page 25 August PPM, No Projections included after this date.

Division Response: No dispute that the August 2011 PPM contains this disclosure.

Corsair Agreement Disclosure

The terms on which the Managers and the Advisory Company will be compensated by the Company were determined by the Managers, two of whom are the owners of the Advisory Company. No disinterested party has confirmed the fairness of those terms and there is no certainty that the Managers or the Advisory Company can fulfill its obligations. Ex 5 page 9 August 2011 PPM, Ex 15 December 2011 PPM, Ex 73 Page 3 September 2012 PPM, Ex 74 Page 3 December 2013 PPM.

Division Response: No dispute that the Aurum PPMs contain this disclosure.

The Company is reliant on the Batalha management for its initial Brazil property and has only limited ability to make changes subject to the Operating agreement. The Company needs to hire and retain additional management in Peru and other locations for any acquired properties. Ex 15 Page 9, December PPM,

Division Response: No dispute that Resp. Ex. 15 (Aurum PPM dated December 31, 2011) contains this disclosure. However, the December 2011 PPM (Div. Ex. 346) which was provided to investors only disclosed that:

> "The Company is reliant on the Batalha management for its initial Brazil property and has only limited ability to make changes subject to the Operating agreement."

In compensation for transferring to Aurum Mining its rights with respect to Batalha, and in performing ongoing management services as individuals or through The Corsair Group, Aurum Mining has agreed to pay to The Corsair Group or its assigns an incentive compensation amount from zero to fifty percent (50%) of the gross proceeds realized from any and all sources including a sale, by Aurum Mining after certain hurdles are reached which are generally multiples of cash over the original Class A capital contributions. For example, for the 50% level to be obtained, the Class A Members must obtain 8 times their initial cash contribution. The incentive compensation will be payable until the later of the liquidation and/or sale of Aurum Mining or sale of Batalha or its rights to process gold, and includes future projects. The Corsair Group can also earn incentive compensation for future acquisitions. The detailed Agreements can be found at http://www.box.net/shared/xgms3l2cyem6vdkdegbf. Ex R 15, page 7 December PPM, Ex 73 Page 3 September PPM, Ex 74 Page 3 December 2013 PPM

Division Response: No Dispute that the December 2011 PPM, September 2012 PPM and January 2013 PPM contain this disclosure, with different links to the box.com web address provided.

Crow Background Disclosure

The Company is reliant on the Managers, Messrs Clug, Lana and Crow. The Managers may make decisions that reduce the cash available for Members of the Company or impair the ability of the company to achieve its full potential.

Backgrounds of Messrs Clug, Lana and Crow can be found in this document and at http://www.box.net/shared/xgms3l2cyem6vdkdegbf including discussion

of past litigation for Mr. Crow regarding his 2008 litigation with the SEC over an investment and ownership of a broker dealer without the requisite securities license and subsequent bankruptcy upon the financial meltdown of 2008. Ex 15, page 9 December 2011 PPM, Ex 73 page 5 September 2012 PPM, Ex 74 page 5 December 2013.

Division Counterstatement: Only the September 2012 PPM and the January 2013 PPM contain this disclosure language. See also Division Counterstatement to Clug FOF 123.

In 2008 Mr. Crow litigated with the SEC regarding an investment, ownership and relationship with a broker dealer. The finding was that the investment and activity required a license and Mr. Crow was ordered to pay a fine and restitution. The details are available at https://www.box.com/s/ oxz1t3d6hl8k9rrx45a5 . Ex 73 page 9 September 2011 PPM, Ex 74 page 9 December 2013 PPM,

Division Response: No dispute that the September 2012 and January 2013 PPMs contain this disclosure language. See also Division Counterstatement to Clug FOF 123.

Please review full biographies, risk factors and other disclosures as part of this Memorandum and available at https://www.box.com/s/oxz1t3d6hl8k9rrx45a5 (password supplied separately). Ex 74 page 10 December 2013 .

Division Response: No dispute that the January 2013 PPM contains this statement.

Crow and Clug Relied on Peru Management, Geologists, Consultants, and Experts.

Brazil

Clug and Crow both reported the information that was reported and developed by their Peru and Brazil team and partners. Tr 1502: 3-5, Tr 1510 : 9-10. The practice of Clug and Crow was to rely on a source for all the key metrics used in the PPM and updates. Tr 2088: 1-18.

Division Counterstatement: See Division Counterstatement to Item 4 under Aurum.

Clug and Crow never " pulled a number out of thin air" Tr 1748:20-22.

Clug relied on his West Point classmate John Coogan for the early information on Brazil and the Batalha project. Tr 2074: 5-11.The work completed by Coogan and Reiss lead them to believe the Batalha project had "$ 300 million over 5 years" Tr 2081: 5-15. Coogan gave all the initial projections of gold values worth profit of $ 819,000 per month or approximately $ 10 million per year on ONLY the initial small parcel and small start up volume of a pilot plant. Tr 2072: 10-25, Tr 2073: 1-5.

Division Counterstatement: No dispute that Clug testified he never pulled a number out of thin air. Tr 2081: 5-15 citation is to Clug's testimony; Raiss testified but said nothing about the Batalha project having "$300 million over 5 years." The early information Clug purported to have obtained from Coogan does not support Clug's statement to investors that Batalha was worth $5 billion. See Division Counterstatement to Clug FOF 160.

Reiss testified he recalls their estimate used of 18 tons of gold on the initial parcel provided to Clug, Tr 1591:17-20.

Division Response: No dispute, except that Raiss did not say the estimate was theirs or that it was provided to Clug.

Clug obtained the 105 tons of gold estimate used from Reiss and it was for all the land in the area, not just the initial parcel. Ex 44, Tr 2087:9-25.

Division Response: No dispute that Clug gave this testimony.

Reiss started off testing areas for gold in Amazon and "Batlaha was the best" Tr 1574:2-16.

Division Response: No dispute Raiss gave this testimony.

Reiss hired and used an independent geologist and independent labs to evaluate Batalha and report the results to Crow and Clug . Tr 1583: 6-11, 12-14. "with over 300 core samples" Tr 1583: 19-22

Division Response: No dispute.

Reiss testifies Mining or Rights were obtained by Arthom through the

irrevocable power of attorney granted by Barbosa, the owner, to Reiss and his partners. And Crow and Clug could and should rely on Reiss. Tr 1377: 4-5, Tr 1377: 23-25, Tr 1378: 1-9, Tr 1578:16-21, Tr 1579: 1-18, Ex 170.

Division Counterstatement: Raiss testified that mining rights were never obtained from the Brazilian government and that Arthom "did not purchase the land" on the Batalha property. Div. FOF 166-167. Raiss did not testify that Crow and Clug could and should rely on him.

The JV was signed and executed by Aurum and Reiss. Ex 18,19.

Division Response: No dispute that Aurum (Crow and Clug) and Arthom (Raiss and Ribeiro) signed a Joint Venture agreement in December 2011.

These "rights ".... "included the permits and things in process" Tr 1579: 19-21.

Division Response: No dispute that Raiss testified that the rights he negotiated in the contract with Jose Barbosa de Lima included "the permits and the things that were in place or were in process." Tr. 1579:19-21.

Reiss testified the process was to "start with the 50 hectare area that had a production license" Tr 1580: 1-7, Tr 1579: 22-25 Ex R 74. And Palacio agrees Ex R 74 says "it has the right to mine the 60,000 tons a year" Tr 280:16-21.

Division Counterstatement: Raiss testified that it was "a 50-hectare area with a PLG license." There is no basis to state "Palacio agrees" when it is clear from the transcript that Crow had asked Palacio about a phrase in Div. Ex. 74, an email between Crow, Clug and Raiss that Clug forwarded to Palacio.

Reiss testified that the ownership in Brazil for mining rights such as these did not allow for transfer in title directly, and therefore it was decided by his lawyer to use an irrevocable power of attorney and contract to "control and own the rights", which gave Arthom and therefore the JV the ownership and control required. Tr 1593: 17-25, Tr 1594: 1-8.

Division Counterstatement: The transcript citations do not provide support for this proposed finding. Raiss testified that there was no way for him to transfer or sell the rights he had acquired in the contract with Jose Barbosa de Lima. Tr. 1594:10-13. Raiss testified that the Batalha mining licenses were never obtained. Tr. 1594:19-25. Raiss also testified that Crow and Clug knew how the process worked and that they knew the Batalha mining rights could not be

transferred or sold. 1595:1-18.

Reiss testified that the meeting with Crow and the law firm Azette, it ended with a conclusion that the "process for permits and approvals is correct and good" Tr 1588: 2-24.

Division Counterstatement: No dispute that Raiss testified he had a meeting with Crow and the Brazilian law firm Azette. However, there is no such thing as a conclusion that the "process for permits and approvals is correct and good" in the citation provided.

Crow, Clug and Lana believed that Reiss was telling the truth and his paperwork on the rights and ownership was correct Tr 1377:21-25, 23-25, Tr 1378: 1-9. and that "owing the rights" included this method. Tr 981:18-21.

Division Response: No dispute.

Palacio was recruited by Reiss to assist in the compilation and calculation of the test results on Batalha. Palacio took the sample results and made his own assumptions and provided many different sets of results to Crow and Clug. Tr 1586:12-25,1587:1-2. Palacio and Reiss agree it was reasonable for Crow and Clug to rely on their work and Palacio testifies " I dont see any reason why they wouldnt rely on this" with reference to Reiss email on Rights, even though he disagrees with parts of it, TR 272:16 , TR 273: 1-7.

Division Response: No dispute.

. Palacio assumptions were not always correct like his $ 30/ton processing cost on alluvial gold. Tr 2099:15-18, 7-13. Palacio

Division Counterstatement: This is from Clug's testimony, not Palacio. No dispute that Clug testified that the $30/ton figure was not correct.

Palacio agreed that these types of Power of Attorney transferring the Rights were common in all types of mining, Ex 17, Tr 264 : 8-12. Palacio agrees Ex 14 is a Power of Attorney and it transfers All the Rights from Barbosa and two others to Reiss and his two partners, Tr 269: 3-11. Tr 267: 16-21.

Division Counterstatement: Inaccurate to state "Palacio agreed that these types of Power of Attorney transferring the Rights were common in all types

of mining. Tr. 264:8-12 reads (Q: "Isn't it fairly common in Brazil for there to be, among small miners, various powers of attorneys and things like this? A. Among everyone, yes.") Also, inaccurate to state "Palacio agrees Ex 14 (Div. Ex. 14) is a Power of Attorney and it transfers All the Rights from Barbosa and two others to Reiss (Raiss) and his two partners," as this is not supported by transcript citations. Palacio testified that Raiss was "just sending documents over to prove that he has irrevocable rights over the land and mining rights, but that had to be done only when Mr. Barbosa De Lima received the research permit." Tr. 272:1-6.

Palacio agrees it is reasonable for Crow and Clug to rely on the information they received from Reiss, Tr 272: 16-25, Tr 273: 1-7.

Division Response: No dispute.

Palacio agrees they can rely on his work as well for making decisions, Tr 273: 9-15 FOF above.. Agrees it is common for management to rely on the testing and work of geologists and to constantly test and update their estimates Tr 297:25, Tr 298: 1-3.

Division Response: No dispute.

Palacio agrees Ex 24B is a calculation, one of many, of potential gold values on only some of the land in Batalha Tr 274 : 20-25, Tr 275 : 1-5, Tr 277 : 1-4, Tr 277: 9-19. The value of 225,030 gold ounces is on only some of the land in Batalha not the total available, Tr 277:21-25, Tr 278:1-7. This leads to Palacio calculation of EBITDA (Earning before Interest Taxes Depreciation) of $ 127,912, 671 which is equal to the cash available, for only the partial properties in his spreadsheet ,and he testifies it is " a lot" Tr 278:17-25, Tr 279:1-5,

Division Counterstatement: Palacio could not vouch for Resp. Ex. 24B, an undated spreadsheet. Tr. 293:18-24 ("Q. And with respect to Respondent Exhibit 24, that spreadsheet that Mr. Crow asked you about, that contained the estimate of 225,030.96 ounces of gold, did you ever come up with any gold estimates close to that amount? A. Not that I remembered. That's why I found it confusing.") Palacio also testified there was no basis to support $127,912.671 EBITDA figure. Tr. 294:8-295:7.

Palacio when asked to remember his estimates of gold ounces on only a portion of the land available said to Judge Patil it could have been in the

100,000+ gold ounces range but does not remember it in the 200,000 + plus ounce range Tr 295: 8-22. 100,000 ounces of gold is equal to $ 130 million in value at the value of $ 1,300 gold per ounce, at that time of Batlaha December 2013..

Division Response: No dispute.

Rescission Offer to 7 Investors $ 115,000

Crow and Clug both testified there was uncertainty as to whether all the conditions of the August 2011 PPM had been met and the focus was now more on Peru than Brazil. Tr 1751:1-6. The 7 investors in the August PPM (later rescinded) for $ 115,000 money was in a segregated savings account. The money was not used or commingled. Ex 20, Tr 1714:1-11, Tr 1713: 23-25. Ex 38b, 38c.

Division Counterstatement: No dispute except that there was no rescission and that the $115,000 was not used prior to February 2012 but $105,000 of the proceeds was initially deposited into the Aurum checking account ending in 7743. Div. Ex. 2A at 4.

Crow, Clug, and Lana all decided to offer the 7 investors rescission on their investment. Ex 37. The summary letter Ex 25 was sent out after a review by counsel . The sentence of " the original Closing Conditions have been met" was put in by legal counsel and was a mistake in that it was uncertain whether the conditions in the original PPM had been met. Tr 1755: 1-5. Ex 37.

Division Counterstatement: There is no evidence that Aurum offered a rescission to any of the investors. Resp. Ex. 37 appears to be an email in which Melnick transmitted his executed acknowledgement of the PPM Update letter, which represented that the August 2011 PPM closing conditions had been satisfied and that the August 2011 PPM has been replaced by an amended PPM dated December 31, 2011. There is no evidence that Aurum's legal counsel provided the statement that the Aurum original PPM closing conditions had been satisfied.

The December 2011 PPM did not have any closing conditions. Ex The 7 investors all met with or talked to Lana, who explained they could get their money back, and read the new PPM with its material changes Tr 969:21-25, Tr 970:1-10, Ex 17, 37, 145, and all 7 investors decided to invest in the December 2011 PPM rather than receive a return of their cash, which was available to be

returned from the savings account. Tr 1715:5-9.

Division Counterstatement: No dispute that the December 2011 PPM's only specified closing condition is the minimum raise of $250,000. There is no evidence that Lana told any of the investors they would get their money back. No dispute that all the equity investors continued their investment with Aurum. Crow and Clug had exhausted the $250,000 convertible notes proceeds and Aurum was in no position to return money to any of the notes investors.

NI 43101 and Business Valuation of $ 20-$23 million by Rwe Growth Partners. Ex 52.

Aurum hired Rwe Growth Partners to do an independent appraisal on the Molle Huacan mine and business. As part of their due diligence, Rwe selected and paid Peter Daubney a geologist to complete a NI 43101 report on Molle Huacan. Tr 427: 18-23. Ex 51.

Division Counterstatement: RwE was engaged by its client to evaluate Aurum and Richard Evans contacted Daubeny to conduct a geological evaluation of Molle Huacan. 360:3-10.

Daubney requested information on the Molle Huacan business prior to his visit from his associate Salina Tribe, who contacted Rwe. DAubney never requested anything directly from Aurum. Tr 413:1-13, Tr 417: 1-25. Daubney testified he was provided access to the data room and went it to "several times" Tr 413:1-13, Tr 368:4-25. Daubney says he " had no trouble getting into the data room" Tr 469:7-9.

Division Response: No dispute.

Daubney says he wasnt provided prior history on the mine but says he can not recall asking for it from Aurum Tr 413:1-13. Furthermore, he contradicts himself as he admits going to the data room several times and getting information

Tr 369:4-25. Daubney admits there were " a number of documents" relating to Molle Huacan that were provided and in the data room and yet "cant recall what they are, and didnt ask them to be translated" Tr 447:13-25.

Division Counterstatement: Tr. 413:1-13 provides no basis to state that Daubeny testified he could not recall asking for Molle Huacan's prior history

from Aurum. Tr. 447:13-25 provides no basis for the statement cited as Daubeny made no such statements in his testimony. Daubeny testified that he saw documents in Spanish but did not ask for them to be translated. Tr. 447:13-25. In addition, there is no contradiction as Daubeny was clear that Crow and Clug did not provide him the Park report and that he first saw it during his investigative testimony to the Division staff. Div. FOF 247-249, 251.

Moran was able to access the data room Tr 737:9-13. the Data room was available and able to provide geological and other key metrics during this process as evidenced by Moran and Daubeney . FOF.

Division Counterstatement: No dispute that Moran was able to access the data room but Moran testified that "there wasn't much in that data room. I don't remember seeing much more than this (2012) business plan." Tr. 737:9-738:10.

Daubney admits he is "not a qualified appraiser under the Canadian standards" and has never appraised a mine, Tr 413:14-22. Daubney is not an expert in mining appraisals or small mining or mining or processing of mineral production. Tr 424:13-16. Fof.

Division Response: No dispute that Daubeny testified that he did not consider himself an expert in mining appraisals. However, he does have experience in valuations. Daubeny testified that he believed the RwE valuation "was an order or two magnitude more than what I thought," that the valuation was not consistent with his findings, and that an appropriate valuation would be "$15,000 U.S." Tr. 410:3-411. No dispute that Daubeny testified that: "I don't have personal experience in artisanal mining." 424:13-16. Daubeny also testified that he was familiar with artisanal mining and that he had "seen artisanal workings." Tr. 423:3-6, 12-15.

Daubney agrees he signed the report and he stands by it. In his report and testimony (Tr: 428 lines 14-18) it states: "I am not aware of any material fact or material change with respect to the subject matter of the technical report that is not reflected in the technical report, the omission to disclose which would make the technical report misleading." Daubney testifies he did not relay his concerns to Crow or Clug and only developed them somehow after his final report, which is in contradiction to the previous certification regarding his report. FOF. Daubney never amended or recalled his report.FOF. Therefore his testimony of concerns or issues with any issues such as sampling, NOT reflected in the report, should be denied as it in contradiction to his sworn and

attested report as a certified geologist. Ex 51.

Division Counterstatement: No dispute as to Daubeny's testimony regarding the certification of his NI-43101 report on Molle Huacan. No dispute that Daubeny did not amend or recall his report. Crow does not state which "concerns or issues" he is referring to, other than sampling, in this proposed finding. The sampling problems at Molle Huacan were well documented in Daubeny's report and in the draft report and comments exchange between Daubeny and Aurum over his draft report. See Division Counterstatement to Clug FOF 101

Daubney cant recall Clug or Crow ever mentioning the existence of an ore body. Tr 377:15-21 but recalls Clug talking about "quick to production " Tr 377:22-24. Tr 378:1-7.

Division Response: No dispute.

Daubney admits reading the Mining Plan by Ciro del la Cruz and yet admits he should have included it in the data list he reviewed as provided in his report Tr 454:1-8.

Division Counterstatement: No evidence that the Mining Plan was one by Ciro de la Cruz. Tr. 454:1-8 provides no basis to state that Daubeny admitted he should have included it in the list of data in in his report. Daubeny testified that the Mining Plan "was a flow sheet, a general flow sheet for the processing of heap leach ore" and it "[p]robably didn't have an author on it. The flow sheet might have been lifted from another report or some other publication not referenced." Tr. 454:16-25.

It is common for the NI 43101 Draft to have comments made by the client and the owners of the property Tr 1266: 22-24.

Division Response: No dispute that Park gave this testimony.

Daubney first states Rwe "did not rely on his report" Tr 429:6-9 and then reverses himself and agrees Rwe DID explicitly state in their report and did rely on his report for purposes of forming their business valuation of $ 21 - $23 million. Tr 430:15-22. Ex

Division Counterstatement: Daubeny testified that he believed the RwE valuation

"was an order or two magnitude more than what I thought," that the valuation was not consistent with his findings, and that an appropriate valuation would be "$15,000 U.S." Tr. 410:3-411:3.

Moran the Expert for the Division, agrees " he is not a certified appraiser" Tr 703:10-21, Tr 715: 17-24. Moran agrees he is not an expert in "natural resources..

metal mining.." Tr 708:1-6. Moran agrees that MR Evans the principal of Rwe had the qualifications and experience and has worked for companies he recognizes Tr 781:1-9.

Division Counterstatement: No dispute that Moran is not a certified appraiser. Moran testified he is "an expert in geology as it applies to mineral resources in metal mining, particularly for commodities of gold, silver, copper and uranium, molybdenum by virtue of education and my work experience." Tr. 708:1-6. He also testified that he considered himself "qualified to do the geological aspects of mining valuations as it relates to resources." Tr. 715:17-24. Furthermore, Moran only also stated Evans "seems to be" qualified to do business valuation based on Evans' resume and recognized some of the companies that Evans claims to have performed valuations for. Tr. 781:1-9.

Moran agrees Rwe reviewed an extensive amount of data for purposes of their report Tr 768:8-10. And that Rwe placed Aurum in the "pre resource stage" within CIVM guidelines Tr 770:23-25, Tr 771: 1.Moran agrees that Rwe "knows there is not mineral resource or estimate" Tr 778:9-18.

Division Response: Moran testified it appeared RwE reviewed an extensive amount of data. No dispute as to the other statements, except that the quoted phrases are not actual quotes from the transcript. There are no such quotes in the transcript.

Moran agrees that it is possible to have a good economic value on a property without a mineral resource Tr 779:13-16. and that Rwe valued the Molle Huacan mine at between $ 20-$ 23 million Tr 780 : 9-14.

Division Counterstatement. Inaccurate. Moran testified that RwE was saying (their opinion) that it was possible to have value without a mineral resource. Tr. 779:13-19. No dispute that RwE valued Molle Huacan at between $20-23 million.

After receiving the Daubney NI 43101 Report, Rwe appraised the Molle Huacan mine at between $ 20-$ 23 million. Ex 52.

Division Response: No dispute.

Crow and Clug rely on Peru Management and Consultants in pursuing the Aurum Plan of Quick to Production.

Peru

Park was hired to do preliminary testing on Cobre Sur in April 2012. Cobre Sur had evidence of small mining activity previously, and it looked like a "worthwhile project" and had a " good chance this would be a viable vein" said Park. Tr 529: 9-10. Tr 598:2-8. Ex 42.

Division Response: No dispute.

Park had a portion of his initial results that indicated lower than expected values, and the coper results also came in much later. Tr 530: 7-13.

Division Response: No dispute that Park gave this testimony.

Park had not formed a final opinion as of the date of his email of May 16, 2012, Tr 530:14-21.

Division Response: No dispute that Park gave this testimony.

Park testified that Aurum geologists always share their work when asked Tr 532:14-16.

Division Response: No dispute that Park gave this testimony.

Park was hired to also do preliminary work on Molle Huacan. Tr 532:1-5. The MH system was next to a large mining company, Horizonte, and had a good chance of being in the same geological system Tr 535: 5-9. The Molle Huacan property had

obvious tunnels and drifts showing small mining activity previously Tr 534: 7-10. Tr 547 : 12-15.

Division Response: No dispute that Park gave this testimony.

Park testified Garate told him Aurum had completed the channel sampling to verify the 30 meter width and 2.38g/t grade, Tr 548:18-25., Tr 549:1-3.

Division Response: No dispute, except that Park further testified that he "never did see the sample map specifically at this point that supported that conclusion." Tr. 548:18-549:2.

Park results from his work in May 2012 was delayed due to his errors on his Peru geologist misplacing the GPS coordinates and he did not deliver his report to Aurum until October 2012. Tr 538-9: 1-5.

Division Counterstatement: With regard to the Park Report being "6 months out of date," Park testified that the reason his report was delivered in October 2012 was because "Aurum [hadn't] paid the lab invoice due when the sample results were released in May." Tr. 1315:22-25. In addition, Park communicated his findings to Crow and Clug months before they received his report. Div. FOF 237. When Park finally sent the report to Crow and Clug, he stated in the cover email "[s]orry it took so long to get this report out as there didn't seem to be any demand for it." Div. Ex. 604 at 7.

Park testifies he finds the 700 meter length vs Garate 1,800 but "cant verify that in one day visit" Tr 545: 24-25, Tr 546: 1-9.

Division Response: No dispute that Park gave this testimony.

Park Testified Molle Huacan could be profitable in smaller tonnage and start production right away without drilling Tr 551: 16-23. Park testifies in Cobre Sur and in general "drifting along the vein" is a well regarded way to start production and explore the vein at the same time, Tr 523:12-18, Tr 529:15-20,

Division Response: No dispute that Park gave this testimony.

Park testified " he never had the sense that Crow and Clug didnt want him to do any more work on the Molle Huacan mine due to his findings.." Tr 1328:11-16.

Division Response: No dispute that Park gave this testimony.

Park testified as an expert that" he agrees with the conclusion of Moran with respect to the Molle Huacan mine.. but only for large scale mining.."Tr 1326: 1-25

Division Counterstatement: Tr. 1326:1-25 citation provides no support for this statement.

Exploration and Small Mining in Peru

Steve Park is a Peru based, fluent spanish speaking geologist with both a BS and MS in geology.Tr 518:8-14. Park was a consultant to Aurum. Park was also experienced in Peru small mining and had owned an operated mines in Peru. and testified small mining was an important and well regarded activity in Peru. Tr 519: 9-25.

Division Response: No dispute Park gave this testimony.

Park testified that Peru has many successful small mining operations and the "quick to production" terminology that he was familiar with from crow and Clug is similar to the one being used by his Spanish client now in Peru Tr 1244:20-25, Tr 1245: 1-5,

Division Response: No dispute Park gavie this testimony.

Moran has experienced small mining production of 50t/d in operations successfully Tr 710:1-17,Tr 711:1-6. Moran is the Divisions expert in Geology.

Division Response: No dispute.

Moran agrees that" drifting the vein is a common way for miners to explore as they go" Tr 726: 21-26, Tr 727: 1-15. Park agrees and has experience in Peru on this method as well. FOF.

Division Response: No dispute.

Park testifies as an expert that Peru small miners do NOT drill or define an ore body before going into production Tr 434:18-25, 435:1-3 and when asked if they have "ore bodies" before they start production he answered " NO." but states it is still possible for them to have ore bodies beneath the veins. Tr Bruno

agrees that in Brazil small miners "..dont have permits, dont drill..." Tr 253:5-25. Daubney agrees small miners dont define an ore body before they go into production Tr 434:18-25, Tr 435:1-3.

Division Counterstatement: No dispute that Park such testimony. Palacio was testifying about alluvial or placer miners. Daubeny testified about artisanal miners generally.

Reliance by Crow and Clug on the work of Peru Team of Geologists , Consultants, and Managers in reporting estimates and making decisions including benching Molle Huacan.

Garate was a qualified and experienced Peru geologist and mining supervisor with over 40 years experience. Ex3 . Park testified as an expert that Garate was qualified and had ample experience Tr 1255:8-12. and Garate was the type of person Park would have expected to be in charge of geology and mining in Peru Tr 1260:4-7.

Division Response: No dispute.

. Crow and Clug relied on the reports, results and recommendations of Garate, Cruz and both experts, Park and Moran, agreed it was reasonable and customary for management like Crow and Clug to do so. Tr 1306:5-9, Tr 1306:10-15, Ex 112, 113. Ex 50,49,

Division Counterstatement: No dispute as that Crow and Clug claim to rely on Garate and Cruz. Park testified that he would expect Aurum management to rely on Garate and Cruz. There is no basis for the statement that Moran agreed it was reasonable and customary for Crow and Clug to rely on Garate and Cruz.

Park agrees as an expert in geology and mining that "it is normal for a mining company to rely on the mining engineer and geologist". Tr 1306:5-9. When Park is asked would Crow and Clug have relied on Garate and Cruz he states " Both of them apparently have ample experience in mining and mines and production.. apparently so yes, I would say yes." Tr 1306:10-15.

Division Response: No dispute.

Clug testifies he relied on "these types of reports" referring to Ex 147, 109,

when preparing the Quarterly Reports, Tr 1886:20-25. Tr 1912:24-25,Tr 1913:1. Tr 2087:9-25, Tr 2088:1-18. Ex 119, 120,118,

Division Response: No dispute.

After confirming with his own samples, Garate reported on Cobre Sur that he agreed with the Park early samples. Tr 1652: 12-21. Garate had shares in Aurum Mining Peru and his incentive was to make the Company a success. Tr 1722: 8-22.

Division Response: No dispute that Clug gave this testimony.

Crow and Clug took comments from Consultants like Park and Daubeney seriously. Crow and Clug implemented a number of recommendations from Park and Daubney in their reports, including hiring new management (dela Cruz) and re organizing the Molle Huacan mine to have geology report to Ciro de la Cruz, hired consultants to train on proper sampling techniques, put in written, sampling procedures, made cross cut samples with better GPS locations for tracking, rented a track drill to better map the area to be mined. Tr 1915: 5-25, Tr 1916: 1-6,

Division Counterstatement: No evidence that Crow and Clug implemented any of the recommendations of Park and Daubeny, both of whom recommended drilling to determine whether adequate gold resources in fact exist on Molle Huacan; that was not done. When Daubeny conducted his site visit, he found some of the same problems that Park had flagged for Crow and Clug, including the improper sampling methods of Aurum and that the property was still poorly mapped. Div. FOF 236-237, 262-263, 268-269; see also Division Counterstatement to Clug FOF 84, 101.

Moran agrees Garate uses the term "reserves" in his report at R Ex 68b Tr 732:6-9, and again Tr 733: 6-10, and agrees Garate is not using the term per industry standards, Tr 733:11-19.

Division Counterstatement: Crow was asking Moran about Resp. Ex. 68B, a document Crow purported was prepared by Garate. Moran testified the use of the term "reserve" in the Resp. Ex. 68B "doesn't meet any international standard, not just Canadian or 43101." Tr. 733:11-19.

Moran agrees Garate reported to Crow and Clug the 2.842 million gold ounces in a inferred resource per Garate Tr 736: 18-25, Tr 737 :1-8.

Division Response: Moran testified he obtained the 2.842 million inferred mineral resource information from a report by Elias Garate.

The sole difference in the calculation of the gold ounces is the dimensions of the vein, with Garate reporting and using 1,700 meters which dramatically increases the gold ounces if correct. Tr 745: 1-5. The sole difference in Garate estimates of 1.254 million ounces and 2.842 million ounces is the strike length Tr 746:5-19.

Division Counterstatement: Moran testified as follows: ("Q. So if 800 meters is actually – the Garate's you referred to as unsubstantiated estimate of 1,700 strike meters that would dramatically increase that number, wouldn't it. A. Sure, it would. Tr. 745:1-5. No dispute that Moran testified that he believed "it's strictly the length of going from 800 meters to 1700 meters" that caused the difference between 1,254,000 ounces and 2,842,000 ounces in Garate's calculations. Tr. 745:12-746:24.

Moran confirms Ex 802, that Cruz is talking about confirming the width of the vein at 21.6 meters Tr 752: 14-20.Moran admits "he didnt know Cruz was only the job for a week when made his first report(Ex 802) .. and then he didn't know Cruz wrote a later plan after six months on the job and much more sampling and testing"..Ex 68b, Tr 730:18-25. Tr 750:2-12.Moran confirms he was not proved this key mining plan report by the Division Tr 752:21-24.

Division Counterstatement: The quoted statements are not supported by citations. Moran testified that he assumed the reference to the 21.6 meters was referring to the width "which is new to me because everything else that I had seen indicated there was nothing that wide on the property." Tr. 751:23-752:20. No dispute that Moran testified he had no personal knowledge of when Cruz started on the job and whether Cruz wrote the report "six months later after he did a tremendous amount of work" as Crow put it. Tr. 730:18-25. Moran testified: (Crow "Q. Sir, my question was simply had you reviewed this report, including this language and these paragraphs prior to doing your expert report? A. Yes, I thought this was one I reviewed but if this was the one that was earlier, yes, I reviewed it." Tr. 753:11-16.

Moran and Daubney both confirm that Cruz acted in a professional manner in this report Ex 802, Tr 755:21-24. Tr 1277:7-17. Cruz is talking about starting production immediately with benching Tr 761:6-10, and that Cruz says" This operation can initiate at the end of the March this year (2013)" Tr 762: 3-9. Tr

761: 13-17.

Division Counterstatement: Tr. 1277:7-17 is from the testimony of Park, not Daubeny, in which Park testified that Cruz was "covering all the topics that you would expect in a mine plan." Moran testified: (Crow "Q. Is it fair to assume that he's acting in a very professional manner in asking the right questions here? A. He certainly is in those two paragraphs, yes." Tr. 755:20-24.

Crow and Clug acted reasonably and professionally in taking steps to correct any known problems or deficiencies . FOF above.

Division Response: No dispute that Crow and Clug claim they acted reasonably and professionally.

Meeting in Coral Gables November 26, 2013.

Crow never attended the meeting. Clug and Lana did not discuss any IPO. Clug and Lana did not ask for more capital and made no promises to the investors. Tr 172:6-9, Tr 896:22-23, Tr 901:12-17, Tr 1537:23-25, Tr 1538:1, Tr 1539:11-12.

Division Counterstatement: No dispute that Crow was not present at the meeting. Weissman's testimony that Clug and Lana discussed raising more money is credible. Division Counterstatement to Clug FOF 152.

Restructuring of Aurum Mining

Aurum was out of cash and ceased all Peru operations in January 2014. Crow and Clug wanted to focus on Alta Gold and also Molle Huacan but it needed more capital. An agreement was reached that provided for Crow to take over the Aurum Mining Peru Stock(owned Molle Huacan) in exchange for a royalty of the first $ 4 million on gross revenue including an escalation for any sale, so that the Aurum investors would be repaid in full. Also Crow had to assume, through Aurum Mining Peru, the existing debt of over $ 1 million on the MOlle Huacan property.

Crow reduced his stake in Alta Gold to 20% and gave up his interest in Aurum Mining LLC. Ex 799.

Division Response: No dispute, except that the Master Agreement (Div. Ex. 799) represents an accurate description of the terms of the Aurum restructuring. Div. FOF 358.

Crow paid $ 20,000 for a NI 43101 appraisal on Alta Gold and has been working with Clug to find a suitable Buyer for the property. Alta Gold has good value per Park testimony and his NI 43101 report, Ex 105.

Division Counterstatement: No evidence that Crow paid for the Alta Gold NI 43-101 report. No dispute as to Park's testimony.

Crow bought an existing stake in a small processing plant in Huamachuco Peru. The location is in the North of Peru and is over 1,000 miles from Molle Huacan.33 It is not in the mining business and only processes mineral for miners on a tolling basis. It is not competitive with Aurum. FOF.

Division Counterstatement: No dispute, except that the plant was in direct competition with Aurum as Aurum had represented to investors in the September 2012 PPM that it was planning to start a processing plant in the North of Peru , near Trujillo, which likely referred to the Huamachuco plant. Div. FOF 127. Aurum investors were also upset at Crow for starting a processing plant "in clear competition to us." Div. FOF 354-356.

In 2013, Crow and Clug, through Corsair, were not getting paid any salary and were in fact loaning money back to Aurum as it raised more money, and started operations. Crow needed to make money and was not getting paid and it was reasonable for him to look for alternatives. Tr 1569:12-17.

Division Counterstatement: Crow and Clug were compensating themselves until at least October 2013. Corsair also received $55,000 from Aurum in November 2013. Div. Ex. 2A at 16.

Grupo Alta SAC, owns Alta Mining SAC, which owns Mineral la Quinua SAC which owns the plant that needed to be built. FOF.

Division Response: No dispute.

NO Aurum money was used for this business. Tr: 1691:23-25, Tr 1692:1-4,1691: 17-22. This business was funded by loans and capital from Crow and Peru sources , none of which related to Aurum. None of these entities are part of the allegations in the OIP, and were not part of any discovery requests. There are NO evidence of any transfers, or any testimony , that states

Crow benefited from

Aurum in any manner for this business. Tr 1419:4-5, Tr 1691: 17-22, Tr 1691: 23-25, Tr 1692:1-4.

Division Counterstatement: A substantial amount of the $2.7 million in investor proceeds that Crow and Clug sent to Peru remains unaccounted for. The Division was unable to make complete determinations on the flow of funds as it did not have all the records of the Peruvian entities. It is very likely that most of the unaccounted for funds from Aurum's Peruvian subsidiaries' accounts wound up in one of Crow's entities in Peru. Crow withheld supporting documentation that would have established the source of some of the funds.

None of the parties in Peru should be included by name or reference in any FOF, as it is prejudicial and unfair to them and their business reputation to be linked to the untrue, inferred and irrelevant allegations of "unknown transfers" with these Companies that are not even part of this OIP. All references to these Peru note holders and the Grupo Alta companies should be eliminated and not part of the FOF.

Division Counterstatement: Crow does not name the "parties in Peru" that he claims "should be eliminated" from the Division's FOF. Assuming Crow is referring to Div. FOF 331-350, however, Crow is not correct that these proposed findings are "untrue, inferred and irrelevant allegations." First, every banking transaction listed in Div. FOF 331-350 was proven through bank records and hearing testimony, and Crow does not argue otherwise. Second, the fact that Crow's Peru bank accounts received more than $1 million in 2013 and early 2014, at a time when Crow was telling Aurum's U.S. investors that he was doing everything he could to help Aurum succeed, demonstrates Crow's scienter. In fact, as Aurum's U.S. and Peru accounts dwindled during 2013, Crow abandoned his partners, the other LLC members, and generated business opportunities for himself that could have been used to benefit Aurum investors. Crow's inability to recall many of these bank transfers also diminishes his already-low credibility; for example, Crow could recall nothing about a $300,000 cash withdrawal he made from a Grupo Alta account in October 2013. Div. FOF 347. Finally, the funds flowing into Crow-controlled accounts are relevant to assessing Crow's claim of inability to pay any monetary sanction.

Accounting

The work of the division in producing accounting and transfers as a way of "inferring" questionable use of money is NOT evidence and should be disregarded as FOF. Cellamy testifies her work was only to " summarize bank statements" Tr 650: 18-21. Bank Statements and Transfers are NOT an audit nor reconciliation to any accounting. and Cellamy was not asked to compare the Bank information to any accounting records. TR651: 6-11

Division Counterstatement: Celamy Exhibit 2A is a summary in lieu of the voluminous bank records of the relevant individuals and entities, which has been admitted into evidence. Respondents were accorded a full and fair opportunity to cross-examine the preparer, Nandy Celamy, under oath. Celamy's testimony specified the documents she relied on to prepare the summary (i.e. bank statements, wire instructions, cancelled checks, investor list, and subscription agreements). Tr. 558:1-6. Respondents have made no showing of any inaccuracy or inconsistency between the summary and the underlying bank records.

Cellamy was not provided expense reports by the Division even though they were produced. Tr 663: 6-11,7-13.

Division Counterstatement: Tr 663: 6-11,7-13 relates to Sandra Yanez's testimony. Respondents have made no showing on how any of the expense reports would have made any of the summary information in Div. Ex. 2A inaccurate.

Cellamy was wrong on her analysis of $ 100,000 Hollander loan as it was a loan and not investment because she didnt compare it to anything. Tr 581:1-25.

Division Counterstatement: The $100,000 note from Hollander is an investment. It is included in Aurum's own list of investments. Resp. Ex. 38.

Cellamy testifies " she was not provided the audited BDO statements or any accounting records by Mr Bah or the Division" Tr 653 : 6-13.

Division Counterstatement: No citation support for quoted testimony. Tr. 653:6-13 relates to Sandra Yanez's testimony.

Given the Division had the records of Every possible Peru or US bank account as part of the blanket discovery directly to the banking authorities in Peru, there is little chance they would have missed any such transfers to companies or accounts under the control of Clug or Crow. Current balances of accounts for

Crow and Clug show minimal balances. Crow is representing himself Pro Se, due to lack of funds for an attorney.

Division Counterstatement: The Division did not obtain all the bank and financial records of Crow and Clug in the U.S. and Peru, including supporting documentation for the Peruvian accounts such as cancelled checks, wire or bank transfer details, deposit and withdrawal slips, cash withdrawal descriptions, accurate and complete journal and ledger entries, etc. It is not unlikely that Crow and Clug hold unknown or undisclosed accounts in their names or in the names of nominees in Peru and elsewhere.

Aurum had BDO audits for the year 2012 for Aurum Mining Peru and Alta Gold. The Division made no effort to reconcile their work on bank transfers with the detailed accounting and audited financial that reflected all the activity. The draft 2013 audits also had much the same information available, including any detail on related party transactions, and it was disregarded by the division. The Division had a spanish speaking employee review the Peru bank accounts so the translation would not be an issue. Ex 30, 114, 115.

None of this information is relevant and it should all be eliminated from the FOF and this hearing.

Division Counterstatement: As Sandra Yanez testified, the BDO audit would not have been helpful in reconciling the Peruvian accounts. What would have been helpful are the cancelled checks, bank transfer information, etc., precisely the records that Yanez did not have and records that Crow and Clug withheld. Tr. 653:6-654:4. How Crow and Clug used the investor money in Peru is relevant to determine whether such use is consistent with representations made to investors.

Crow and Clug Testimony

The testimony of Crow and Clug was credible and was not contradicted by any testimony from Lana or the investors. Nor were any of the 30,000 emails provided to the division, evidence of any falsehood or credibility for Crow and Clug.

Division Counterstatement: The testimony of Crow and Clug was not credible. See Div. FOF 578-587

The investors continue to state their faith and confidence in Aurum management even after the business is not in operation. FOF..

Division Counterstatement: There is no evidence supporting this claim. To the contrary, Crow was removed as a manager of Aurum, precisely because of his deceptive activities in Peru that caused investors to lose confidence in him. Div. FOF 354-360.

Crow and Clug relied on the report and information from their consultants, employees, and Managers. There is no factual basis to infer or deduce that the information provided to Investors by Crow and Clug, which is the same as was provided to them, renders their testimony unreliable. FOF.

Division Counterstatement: The testimony at the hearing by Palacio, Daubeny, Park, and Moran demonstrates that Crow and Clug had no good-faith basis to rely on many of the reports and much of the information that they claim to have obtained from their consultants, employees and Managers. See Division Counterstatement to Clug FOF 156, 157, 159.

Crow and Clug admit mistakes and errors where appropriate. For example, as in the the last sentence on closing conditions in the Rescission letter of December 2011, and also the ultimately incorrect decision to follow the recommendation of Cruz to go into benching as mining production on Molle Huacan with its higher levels of tons per day and capital costs. Tr 1451: 19-25, Tr 1452: 1-9.

See also Crow email to Hollander in January 2014 after the Molle Huacan operation failed on its first production run, with a full and fair disclosure about what happened. Ex 24.

Division Counterstatement: There is no evidence that Crow or Clug admitted any mistake or error. There was no admission of a mistake in the PPM Update letter on Batalha. Crow's email to Bruce Hollander in January 2014 came nearly two years after Crow and Clug had already been informed by Park that Molle Huacan was an exploration target with small tonnage potential; in other words, "a marginal mine" as Crow finally admitted to Hollander.

Crow and Clug cooperated fully, even voluntarily in the early stages over a 3 year investigation. All records and emails were turned over with more than 30,000 e-mails produced. Crow and Clug answered each and every question. Crow and Clug provided over 4 days of testimony in NYC in 2012. This goes to the credibility of the their testimony as well. Crow and Clug provided detailed financial information as requested, on short notice.

Division Counterstatement: Although Crow and Clug agreed to voluntarily

speak with the staff at the outset of the investigation, produced numerous documents to the staff pursuant to subpoena and testified under oath, they did not fully cooperate in the investigation. For instance, Crow appeared for testimony in August 2013 and failed to disclose any of the entities he had formed in Peru and the bank accounts he had opened even though the staff requested the information in a pre-testimony background questionnaire and the documents were responsive to the subpoenas issued to Crow and Aurum. Crow and Clug also failed to provide complete records of their bank accounts and the accounts of entities they controlled, including those in Peru. They withheld supporting documentation of the Peruvian financial records, such as cancelled checks, wire or bank transfer details, invoices, payments, cash withdrawal descriptions, that would have helped clarify how investor proceeds were used in Peru. Largely due to incomplete records, the Division was unable to determine the disposition of a substantial amount of the $2.7 million investor proceeds sent to Peru, which could well have wound up in unknown or undisclosed accounts of Crow and Clug or their nominees in Peru.

The testimony as provided by Crow and Clug is not contradicted by any evidence. There is no testimony from witnesses that contradicts any statements of Crow or Clug. To the contrary,there is ample evidence of their truthful testimony backed up by Exhibits and other witnesses, and therefore , it can be relied upon.

Division Counterstatement: There were numerous aspects of the testimony provided by Crow and Clug that were inconsistent with the documentary evidence and testimony of other witnesses. See e.g. Div. FOF 578-587.

Findings of Law

Respondent Michael W Crow respectfully requests that the findings of fact as outlined above are proof that the Division has not met its burden of finding the preponderance of the evidence in any of the issues at hand. As such, the allegations of fraud and aiding and abetting under Rules 17a,b,c, Rule 10 b, Rules 3, and others do not have the required facts to support such an allegations. As such the finding should be for Crow and other

Respondents. By reference herein the arguments and requests of other Respondents are included as part this FOF as well.

Division Counterstatement: See Div. COL 1-8.

As such no monetary or other sanctions or remedies are appropriate in this matter.

Division Counterstatement: See Div. COL 9-33.

Dated: October 20, 2015
New York, New York

Respectfully submitted,

DIVISION OF ENFORCEMENT

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