

MARC J. FAGEL (Cal. Bar No. 154425)  
MICHAEL S. DICKE (Cal. Bar No. 158187)  
TRACY L. DAVIS (Cal. Bar No. 184129)  
JOHN YUN (Cal. Bar No. 112260)  
yunj@sec.gov  
HEATHER E. MARLOW (Cal. Bar No. 215261)  
marlowh@sec.gov

Attorneys for Plaintiff  
SECURITIES AND EXCHANGE COMMISSION  
44 Montgomery Street, 28th Floor  
San Francisco, California 94104  
Telephone: (415) 705-2500  
Facsimile: (415) 705-2501

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF OREGON  
PORTLAND DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

3 EAGLES RESEARCH & DEVELOPMENT LLC,  
HARRY DEAN PROUDFOOT III, MATTHEW  
DALE PROUDFOOT, LAURIE ANNE VRVILO  
and DENNIS ASHLEY BUKANTIS,

Defendants.

Case No. \_\_\_\_\_

**COMPLAINT**

Plaintiff Securities and Exchange Commission (the “Commission”) alleges:

### SUMMARY OF THE ACTION

1. This matter involves the fraudulent offer and sale of securities in a Portland-based gold mining company, defendant 3 Eagles Research & Development, LLC (“3 Eagles”), by the company’s former owner and president, defendant Harry Dean Proudfoot III (“Harry”), and two of his adult children, defendants Matthew Dale Proudfoot (“Matthew”) and Laurie Anne Vrvilo (“Laurie”). From September 2009 to October 2011, 3 Eagles raised around \$2.7 million from approximately 140 investors in 23 states and Canada through the unregistered sale of “royalty units” in a purported Ohio gold mining project. Harry Proudfoot hired defendant Dennis Bukantis (“Bukantis”), an unregistered securities broker, to assist in selling the 3 Eagles “royalty units.” 3 Eagles paid Bukantis approximately \$165,000 in commissions for selling royalty units to investors.

2. The Proudfoots and 3 Eagles falsely represented to investors that nearly all of the investors’ money would be used to purchase mining equipment and conduct mining operations at two gravel pits in central Ohio. The Proudfoots and 3 Eagles falsely represented that gold mining production would begin in late 2010 and generate approximately \$1.6 million in gross monthly revenues, as well as regular royalty payments. These representations, among others, were flat out lies. Rather than using investor funds for gold mining equipment and operations, Harry, Matthew and Laurie misappropriated approximately \$1.1 million of the investor funds to pay for, among other things, medical expenses, vitamin supplements, vacations, school tuition and jewelry. Harry, Matthew and Laurie also dissipated much of the remaining investor funds for other expenses such as automobile costs, telephone expenses, travel, meals and entertainment, plus nearly two hundred thousand dollars in legal fees. By September 2011, all but approximately \$38,000 of the money raised from investors was spent, without the purchase and installation of mining equipment at the Ohio project site and without the commencement of gold mining operations.

3. In addition, the Proudfoots and 3 Eagles made false statements to investors, including lying about credentials of so-called experts who were on 3 Eagles’ technical staff and

concealing previous state regulatory actions against Harry for securities law violations. The Proudfoots and 3 Eagles also failed to disclose prior bankruptcy filings by Harry and Matthew to 3 Eagles investors.

4. In the fall of 2011, after being served investigative subpoenas by the Commission and various state securities regulators, Harry resigned from 3 Eagles and 3 Eagles represented that it stopped selling royalty units. In December 2011, however, Matthew began selling “membership interests” in 3 Eagles to investors. Matthew represented to investors that the money would be used to move the Ohio mining project into production, among other things. Once again, much of the investor money was misappropriated, going towards Matthew’s bankruptcy payments and household bills, payments to Laurie and her husband and, most of all, for retainers for separate legal counsel for 3 Eagles, Matthew, Laurie and a sibling.

5. 3 Eagles, Harry, Matthew and Laurie have violated, and aided and abetted violations of, the antifraud and registration provisions of the federal securities laws. Moreover, Harry is a controlling person of 3 Eagles, and therefore liable under Section 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”) to the same extent that 3 Eagles is liable for the company’s securities violations. In addition, Bukantis has violated the broker-dealer registration provisions of Section 15(a) of the Exchange Act by acting as an unregistered broker of securities.

### **JURISDICTION**

6. The Commission brings this action pursuant to Sections 20(b) and 20(d) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77t(b) and 77t(d)] and Sections 21(d), 21(e), and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

7. This Court has jurisdiction over this action pursuant to Sections 20(b) and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b) and 77v(a)] and Sections 21(d), 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa]. Defendants, directly or indirectly, made use of the means and instrumentalities of interstate commerce or of the mails in connection with the acts, transactions, practices, and courses of business alleged in this complaint.

8. Venue is proper in the District of Oregon pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. During the period described in this Complaint, 3 Eagles had its business headquartered in this District and Laurie resided in this District. In addition, acts, practices, and courses of business that form the basis for the violations alleged in this complaint occurred in this District. Assignment to the Portland Division is appropriate because Laurie resides in Tigard, Oregon, and 3 Eagles had its business headquartered in her home.

#### **DEFENDANTS**

9. 3 Eagles is a limited liability company founded by Harry and formed in Nevada in April 2008, with its headquarters in Tigard, Oregon. 3 Eagles purports to specialize in gold mining and precious metal exploration. In December 2011, Harry transferred his entire ownership interest in the company to Matthew, Laurie, Harry's wife and younger son. Currently, 3 Eagles is being managed by Matthew, with assistance from Laurie.

10. Harry Proudfoot, age 72, resides in Mt. Vernon, Ohio, and is the former President and Director of 3 Eagles. Harry Proudfoot was the founder, president, manager and sole member of 3 Eagles from its inception in April 2008 until mid-December of 2011. From 1991 to 2011, Harry was the subject of one state cease and desist order for selling unregistered securities and three state cease and desist orders for both fraud and selling unregistered securities, the most recent involving a prior gold mining venture.

11. Matthew Proudfoot, age 43, resides in Colbert, Washington. From November 2009 to the present, Matthew served as Executive Director of New Business Development and Investment Opportunities for 3 Eagles. Since December 2011, Matthew has been the manager of 3 Eagles.

12. Laurie Proudfoot Vrvilo, age 46, resides in Tigard, Oregon. From February 2008 to the present, Laurie served as Executive Director of Internal Affairs for 3 Eagles.

13. Dennis Bukantis, age 70, resides in Denver, Colorado, but is currently working in Michigan. From late 2007, when Bukantis joined 3 Eagles, to December 2011, Bukantis served

as Director of Sales and Marketing of 3 Eagles. Bukantis ceased working for 3 Eagles in December 2011.

## FACTUAL ALLEGATIONS

### A. Harry Forms and Controls 3 Eagles

14. Harry Proudfoot formed 3 Eagles in Nevada on April 23, 2008. From April 2008 to mid-December 2011, Harry made all final decisions regarding corporate actions. 3 Eagles lists its principal place of business as Fallon, Nevada. In reality, the company used a Portland, Oregon business address and has been run out of Laurie's home in Tigard, Oregon from its inception to the present.

15. In early 2008, Harry brought in his former business associate, Dennis Bukantis, from a prior gold mining venture to help solicit potential investors.

16. In February 2008, Harry hired his daughter, Laurie Vrvilo, as the Executive Director of Internal Affairs, charged with maintaining investor files and facilitating bank deposits and transactions.

17. In November 2009, Harry hired his son, Matthew Proudfoot, to oversee marketing and sales for 3 Eagles and serve as Director of New Business Development and Investment Opportunities. Matthew was responsible for developing a network of potential investors. Matthew's responsibilities included helping draft and revise Power Point presentations that were given to investors. Matthew also made presentations to 3 Eagles investors and potential investors at seminars that were held around the country, as well as in individual telephone conversations.

18. In January 2010, Harry hired his younger son as Executive Director of Operations and Shareholder Liaison, to oversee 3 Eagles mining operations and to provide updates to investors.

19. Harry, Matthew, Laurie had daily morning conference calls to discuss the status of investor funding and operational plans for 3 Eagles. Harry sought his children's opinions regarding 3 Eagles' activities, but Harry had the power to make the final decision. Harry had the authority to enter into contracts, make statements and act on behalf of 3 Eagles. Harry also set Bukantis' commission percentage based on the investments Bukantis secured.

20. In mid-December 2011, Harry's 100% ownership of 3 Eagles membership interests was broken up and assigned in various amounts to Matthew, Laurie, Harry's wife and other son. At that time, Matthew became the manager of 3 Eagles.

**B. Defendants Raised Approximately \$2.7 Million from Investors From September 2009 to October 2011**

21. From September 2009 to October 2011, 3 Eagles, along with Harry, Matthew, Laurie and Bukantis, offered and sold securities in the form of royalty units. A single 3 Eagles royalty unit involved a \$5,000 investment, and entitled the holder to a portion of 3 Eagles' gross operating profits from its purported Ohio mining project. 3 Eagles told investors that they could receive a return of 35 times their initial investment.

22. Harry and Matthew were involved in preparing the 3 Eagles Power Point presentations (the "Power Point") promoting the purported Ohio mining project and describing the intended uses of investor money. All defendants, directly or indirectly, solicited investors with the Power Point to invest money in the Ohio mining project. 3 Eagles distributed the Power Point to investors and potential investors across the United States at in-person investor meetings, via email and via UPS. 3 Eagles solicited investors through in-person meetings in at least four states and on the telephone.

23. Matthew and Bukantis, and at times Harry or Laurie, attended the investor meetings. The purpose of the in-person meetings was to raise capital for the Ohio mining project from new and existing investors. At the meetings, either Matthew or Harry or both gave oral presentations, distributed marketing materials, including, at times, the Power Point, and answered questions about the Ohio mining project. After Matthew or Harry gave the presentation, Bukantis met one on one with attendees to discuss the Ohio mining project and answered questions.

24. 3 Eagles also solicited investors through word-of-mouth referrals. For example, existing investors, from time to time, contacted Matthew and/or Bukantis and informed them of someone who was interested in investing in the Ohio mining project. Matthew and/or Bukantis called that potential investor and pitched the investment opportunity to them over the phone. At

times, Bukantis emailed marketing materials to the potential investor. Bukantis communicated with investors on almost a daily basis about the status of the Ohio mining project.

25. Laurie sent prospective investors written materials about the Ohio gold mining project, including the Power Point, a Subscription Agreement, an Investor Suitability Questionnaire (used to determine if the investor was accredited) and a Non-Disclosure Agreement. If interested, the potential investor was instructed to return signed copies of the Subscription Agreement, Investor Suitability Questionnaire and Non-Disclosure Agreement to 3 Eagles along with a check or money order to Laurie at 3 Eagles' office in Tigard, Oregon or wire their investment directly to 3 Eagles' bank account in Tigard, Oregon.

26. Investors sent checks or made wire transfers to 3 Eagles prior to, or simultaneously with, sending in a completed Investor Suitability Questionnaire. Based on the questionnaires submitted, more than 35 of the investors were unaccredited. 3 Eagles pooled investor funds in its common bank accounts. 3 Eagles investors were passive investors and had no role in the management of 3 Eagles.

**C. 3 Eagles, Harry, Matthew and Laurie Misappropriated Approximately \$1.1 Million of Investor Funds**

27. The 3 Eagles' Power Point represented to investors that the money raised would be used to move 3 Eagles into, and through, Phase I gold mining production at the Ohio gravel pits.

28. Phase I was described as the building of a pilot plant and processing twenty-five tons of material per hour. 3 Eagles projected that Phase I would generate \$1,612,500 of gross revenues per month and facilitate royalty payments to the investors. The Power Point projected the total expenses of Phase I to be \$3.2 million. The Power Point represented that nearly 80%, or \$2.5 million, of investor funds would be used for drilling, testing, purchasing of machinery and the Phase 1 operating costs.

29. The Power Point described that only about 20% of investor funds, \$700,000, would be used for pre-Phase I commissions, bonuses and operating expenses. Similarly, in filings with the Commission, 3 Eagles represented that approximately \$500,000 in total would be used for compensating 3 Eagles management.

30. 3 Eagles, Harry, Matthew and Laurie did not use the investor money to build the pilot plant, purchase processing equipment or operate the Ohio gold mine as was represented to investors in the Power Point. Contrary to those representations, 3 Eagles, Harry, Matthew and Laurie spent the money in 3 Eagles' corporate accounts as if it was their own personal "piggy bank" and left 3 Eagles penniless and unable to pay for the necessary expenses to get the Ohio mine into production.

31. From September 2009 to October 2011, investors' funds were deposited directly into 3 Eagles' bank accounts. Much of the investor money was then transferred into Harry, Matthew or Laurie's personal accounts. Additionally, Laurie and Harry wrote checks, using their respective signing authorities, against the 3 Eagles' accounts to pay for personal expenses for themselves, Matthew and their family members. Further, Harry, Matthew and Laurie each also held and used debit cards attached to the 3 Eagles corporate accounts to pay for personal expenditures on a continual basis.

32. Harry, Matthew and Laurie spent approximately \$1.1 million of investor funds to pay for personal expenses, including college tuition for Laurie's son, jewelry for Harry's wife and Matthew's wife, clothing, medical expenses, approximately \$3,000 for an online shopping spree for Harry's other daughter, renovations for Harry's home, vacations, Matthew's home mortgage, cars for Harry, Matthew, Laurie and Laurie's son, approximately \$26,000 for surgery for Matthew, and upwards of approximately \$30,000 a year for vitamins and nutritional supplements for the Proudfoots and their families. In total, Harry misappropriated approximately \$555,000, Matthew misappropriated approximately \$384,000 and Laurie misappropriated approximately \$165,000 of the amount raised through the sale of royalty units.

33. After having spent a portion of the approximately \$1.1 million, Harry, Matthew and Laurie determined to recharacterize certain expenditures as "personal loans." The after-the-fact characterization was not reduced to any actual loan obligation; no interest rate was agreed to or paid; no payment period was established; and at the time of these phony personal loans, the defendants did not have the means to pay back the approximately \$1.1 million to 3 Eagles.

34. In addition to the approximately \$1.1 million taken by Harry, Matthew and Laurie under the guise of “personal loans,” Harry directed that approximately \$40,000 of investor funds be used to pay back a prior investor in one of Harry’s previous unrelated failed mining ventures. This blatant misuse of investor funds was known by Harry, Matthew and Laurie. Harry, Matthew and Laurie discussed amongst themselves the improper character of such investor repayments. Nonetheless, Laurie wrote and signed the checks and sent wire transfers from 3 Eagles’ account to the investor throughout 2010 and 2011.

35. In addition, 3 Eagles, Harry, Matthew and Laurie dissipated substantial sums of investor money on other expenses, such as approximately \$80,000 in automobile costs, approximately \$235,000 in travel expenses, approximately \$23,000 in meals and entertainment, and approximately \$42,000 in telephone expenses. Additionally, approximately \$190,000 was spent on commissions and approximately \$198,000 on legal expenses.

36. As a result of Harry’s, Matthew’s and Laurie’s misappropriation and other expenditures, 3 Eagles could not meet its expenses and move the Ohio mining project into production, nor generate the returns promised to investors. By September 2011, 3 Eagles essentially ran out of investor funds without purchasing and installing equipment at the Ohio mining site or commencing gold production. 3 Eagles, Harry, Matthew and Laurie knew, or were reckless in not knowing, that investor money was being used in ways inconsistent with representations to investors.

**D. 3 Eagles, Harry, Matthew and Laurie Made Misrepresentations and Omissions to Investors to Entice Them to Purchase “Royalty Units”**

37. 3 Eagles made multiple misrepresentations and omissions to investors. The Power Point falsely represented that 3 Eagles had an expert geologist, G. Adams Gold Recovery, on 3 Eagles’ technical team. Contrary to the claim, neither Jim nor Gloria Adams of G. Adams Gold Recovery are geologists.

38. The Power Point also falsely stated that 3 Eagles “obtained a lease granting legal and exclusive rights to all minerals in the Danville and Bellville properties” and access to a total of 300 acres of land and 90 million tons of raw material to be used to for gold processing. In

fact, 3 Eagles did not have a mineral rights lease to the Bellville property and as a result, the total tonnage of raw material 3 Eagles represented to investors as being available for gold extraction and processing was false. These misstatements also undercut 3 Eagles' representation in the Power Point that the Ohio mining site has a "\$11,250,000,000.00 gross value" because the \$11.25 billion value was calculated based on the overstated acreage of land and raw material.

39. 3 Eagles also failed to disclose multiple prior regulatory actions against Harry. In 1991, Alaska's Department of Commerce and Economic Development issued a cease and desist order against Harry based upon his selling unregistered securities in violation of Alaska's securities laws. Between 1993 and 2003, Oregon's Department of Insurance and Finance issued two cease and desist orders against Harry based upon his selling of unregistered securities and fraudulent practices relating to Harry's insurance business and based upon his sale of unregistered securities relating to automated teller machines. In addition, Oregon's Department of Insurance and Finance issued a cease and desist order against Harry in October 2011 for defrauding Oregon investors in an unrelated failed gold mining investment scheme in Canada.

40. By October 2010, 3 Eagles, Matthew and Laurie knew that Harry was the subject of at least one state action by securities regulators. However, 3 Eagles and the Proudfoots continued to raise money and failed to disclose to 3 Eagles investors and prospective investors that Harry was the subject of a past cease and desist order. Instead, the Power Point represented that Harry had successfully established insurance and precious metals businesses before founding 3 Eagles.

41. 3 Eagles, Harry, Matthew and Laurie knew, or were reckless in not knowing, that their omissions regarding Harry's past cease and desist orders were materially misleading.

42. On August 31, 2010, Matthew filed personal bankruptcy while employed by 3 Eagles and in the 1990s, Harry filed personal bankruptcy. This information was not disclosed to investors.

43. 3 Eagles, Harry, Matthew and Laurie knew, or were reckless in not knowing, that G. Adams Gold Recovery is not a geologist, that their statements regarding the total acreage and raw material available to 3 Eagles were false and misleading and that their omissions regarding

Harry's multiple prior regulatory actions and Harry's and Matthew's personal bankruptcies were materially misleading.

**E. 3 Eagles' Securities Were Offered and Sold Without Registration**

44. By the means set forth above, 3 Eagles offered and sold approximately \$2.7 million in securities in the form of royalty units to approximately 140 investors in 23 states, and in Canada, without regard to the investors' financial status or sophistication in business and financial matters.

45. Defendants offered and sold 3 Eagles securities without filing a registration statement with the Commission and without having a registration statement in effect as to such securities, as required by law.

46. Had 3 Eagles filed such a registration statement, investors would have had access to important information about 3 Eagles' business and its finances before they invested in 3 Eagles.

47. 3 Eagles did not provide 3 Eagles' financial statements or audited financial information to investors prior to their investing with 3 Eagles in the Ohio mining project. 3 Eagles also failed to provide investors with the company information normally found in a registration statement.

**F. Bukantis Violated Broker Registration Requirements**

48. From at least 2009 to October 2011, by the means set forth above, Bukantis raised approximately \$1.4 million from approximately 75 investors. For these sales, Bukantis received approximately \$165,000 in commissions.

49. Bukantis' commissions varied between 2.5% and 10% of funds received, depending on what Harry determined Bukantis should receive.

50. At all relevant times, Bukantis was not a registered securities broker or associated with a broker as a registered representative.

**G. Matthew's Recent Sale of 3 Eagles "Membership Interests"**

51. Between December 2011 and March 2012, Matthew offered and sold \$400,000 in securities in the form of 3 Eagles "membership interests" to two investors in Illinois. On March

29, 2012, the investors signed subscription agreements with 3 Eagles for the purchase of the “membership interests.” Matthew signed the agreement on behalf of 3 Eagles.

52. Both investors forwarded funds to Matthew’s personal checking account. The investors had no control over the management of 3 Eagles and expected to receive a profit in return for their investment.

53. Matthew represented to the investors in “membership interests” that the money would be used to move the Ohio mining project toward production. Instead, Matthew has used approximately \$200,000 of the \$400,000 on attorney fees for 3 Eagles, Matthew, Laurie and another sibling in connection with the Commission’s investigation. Matthew additionally paid himself approximately \$20,000, and paid approximately \$25,000 to Laurie and approximately \$10,000 to another sibling. Matthew has also used the investors’ money to make his monthly bankruptcy payments and to pay for household expenses, including grocery, phone and cable bills. Matthew also issued approximately \$46,500 in cashier’s checks to Laurie’s husband. Matthew used less than approximately \$100,000 of the \$400,000 toward any expenses related to the Ohio gold mining project.

54. Laurie actively engaged with Matthew in a scheme to conceal the use of these investor funds. She received personal checks and cashier’s checks from Matthew and deposited these into her personal bank account. Laurie also received bank wires from Matthew into her same personal bank account. Laurie then promptly transferred funds from her personal bank account into a bank account she had newly opened for 3 Eagles. With those funds, Laurie had the bank issue wires to the various law firms as their retainers.

55. Contrary to the requirements of the securities laws, no registration statement was on file with the Commission or in effect for the offers or sales of the 3 Eagles securities in the form of “membership interests,” and no exemption from registration applied to these offers or sales.

## FIRST CLAIM FOR RELIEF

### **Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder By 3 Eagles, Harry, Matthew and Laurie**

56. Paragraph numbers 1 through 55 are re-alleged and incorporated herein by reference.

57. Defendants 3 Eagles, Harry, Matthew and Laurie, by engaging in the conduct set forth above, directly or indirectly, by use of means or instrumentalities of interstate commerce, or of the mails, or of a facility of a national security exchange, with scienter: (a) employed devices, schemes, or artifices to defraud; (b) made untrue statements of material fact or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) engaged in acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons, in connection with the purchase or sale of securities.

58. By reason of the foregoing, Defendants 3 Eagles, Harry, Matthew and Laurie have directly or indirectly violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. §§ 240.10b-5] thereunder and unless restrained and enjoined will continue to violate these provisions.

59. During the period of approximately April 2008 through December 14, 2011, Harry was directly or indirectly a control person of 3 Eagles for purpose of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)].

60. As a control person of 3 Eagles, Harry is jointly and severally liable with and to the same extent as 3 Eagles for 3 Eagles' violations of Section 10(b) the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] during this time period, as alleged above.

61. In addition, Harry, Matthew and Laurie knowingly provided substantial assistance to other defendants' violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder, and therefore are liable as aiders and abettors.

Unless restrained and enjoined, they will continue to aid and abet violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. §§ 240.10b-5] thereunder.

### **SECOND CLAIM FOR RELIEF**

#### **Violations of Section 17(a) of the Securities Act By 3 Eagles, Harry, Matthew and Laurie**

62. Paragraph numbers 1 through 55 are re-alleged and incorporated herein by reference.

63. Defendants 3 Eagles, Harry, Matthew and Laurie have, by engaging in the conduct set forth above, directly or indirectly, in the offer or sale of securities, by the use of means or instruments of transportation or communication in interstate commerce, or of the mails: (a) with scienter, employed devices, schemes, or artifices to defraud; (b) obtained money or property by means of untrue statements of material fact or by omitting to state material facts necessary in order to make statements made, in the light of the circumstances under which they were made, not misleading; and (c) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchasers of such securities.

64. By reason of the foregoing, Defendants 3 Eagles, Harry, Matthew and Laurie have directly or indirectly violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and unless restrained and enjoined, they will continue to violate this provision.

65. In addition, Harry, Matthew and Laurie knowingly provided substantial assistance to other defendants' violations of Section 17(a) of the Securities Act and therefore are liable as aiders and abettors. Unless restrained and enjoined, they will continue to aid and abet violations of Section 17(a) of the Securities Act.

### **THIRD CLAIM FOR RELIEF**

#### **Violations of Sections 5(a) and 5(c) of the Securities Act By 3 Eagles, Harry, Matthew and Laurie**

66. Paragraph numbers 1 through 55 are re-alleged and incorporated herein by reference.

67. Defendants have, by engaging in the conduct set forth above, directly or indirectly, through use of the means or instruments of transportation or communication in interstate commerce or of the mails, offered to sell and sold securities issued by 3 Eagles.

68. No registration statement was filed with the Commission or was in effect with respect to the securities offered and sold by 3 Eagles prior to the offer or sale of these securities and no exemption from registration applies.

69. By reason of the foregoing, 3 Eagles, Harry, Matthew and Laurie have directly or indirectly violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)], and unless enjoined will continue to violate these provisions.

#### **FOURTH CLAIM FOR RELIEF**

##### **Violations of Section 15(a) of the Exchange Act By Bukantis**

70. Paragraph numbers 1 through 55 are re-alleged and incorporated herein by reference.

71. Bukantis has, by engaging in the conduct set forth above, while acting as a broker or dealer, made use of the mails or any means or instrumentality of interstate commerce to effect transactions in and induce and attempt to induce the purchase or sale of securities when he was not registered with the Commission as a broker or dealer or associated with an entity registered with the Commission as a broker or dealer.

72. By reason of the foregoing, Bukantis has directly or indirectly violated Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)], and unless enjoined will continue to violate this provision.

#### **PRAYER FOR RELIEF**

WHEREFORE, the Commission respectfully requests that the Court:

I.

Preliminarily and permanently enjoin Defendants 3 Eagles, Harry, Matthew and Laurie from directly or indirectly violating Sections 5(a), 5(c), and 17(a) of the Securities Act [15 U.S.C.

§§ 77e(a), 77e(c), and 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

II.

Preliminarily and permanently enjoin Defendants Harry, Matthew and Laurie from aiding and abetting violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

III.

Permanently enjoin Defendant Bukantis from directly or indirectly violating Section 15(a)(1) of the Exchange Act [15 U.S.C. §§ 78o(a)(1)].

IV.

Preliminarily enjoin Defendants 3 Eagles, Harry, Matthew and Laurie from offering or selling, or soliciting the offer or sale, of any security issued by 3 Eagles or by any entity that 3 Eagles, Harry, Matthew, or Laurie directly or indirectly controls. Permanently enjoin Defendant Harry from offering or selling, or soliciting the offer or sale, of any security issued by 3 Eagles or by any entity that Harry directly or indirectly controls.

V.

Enter an order for Defendants to provide a verified accounting identifying (i) the location and disposition of all funds received from investors; (ii) the location and disposition of all accounts controlled by Defendants or held for their benefit; and (iii) the location and value of all investor assets, as well as personal or other assets currently held by Defendants, or under their control or over which they may exercise actual or apparent authority.

VI.

Issue an order requiring Defendants to disgorge their ill-gotten gains according to proof, plus prejudgment interest thereon.

VII.

Issue an order requiring Defendants to pay civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

VIII.

Enter an order preventing Defendants from destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, books, records, computer programs, computer files, computer printouts, correspondence, including e-mail, whether stored electronically or in hard-copy, memoranda, brochures, or any other documents of any kind that pertain in any manner to the business of the Defendants, during the pendency of this action.

IX.

Enter an order permitting expedited discovery.

X.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

XI.

Grant such other and further relief as this Court may determine to be just, equitable, and necessary.

Respectfully submitted,

Dated: July 17, 2012

/s/ Heather E. Marlow  
Heather E. Marlow  
Attorney for Plaintiff  
SECURITIES AND EXCHANGE  
COMMISSION