

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA**

SECURITIES AND EXCHANGE COMMISSION,
100 F Street, N.E.
Washington, DC 20549

Plaintiff,

v.

EDWARD F. PANOS,
3700 Wrangler Way
Park City, UT 84098

Defendant,

and

ALLISON G. PANOS,
3700 Wrangler Way
Park City, UT 84098

Relief Defendant.

Civ. No. 16-

CONSENT OF DEFENDANT EDWARD F. PANOS

1. Defendant Edward F. Panos (“Panos”) waives service of a summons and the complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Panos and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Panos admits, and venue, any objection to which Panos waives), Panos hereby consents to the entry of the final Judgment in the form attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Panos from violation of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C.

§ 77e(a), § 77e(c), and § 77q(a); Section 10(b) of the Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5; Section 13(g) of the Exchange Act, 15 U.S.C. § 78m(g), and Rule 13d-1 thereunder, 17 C.F.R. § 240.13d-1; and 20(b) of the Exchange Act, 15 U.S.C. § 78t(b);

- (b) prohibits Panos from acting as an officer or director of a public company pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2);
- (c) prohibits Panos from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock pursuant to Section 21(d)(6)(A) of the Exchange Act, 15 U.S.C. § 78u(d)(6)(A);
- (d) prohibits Panos from causing or deriving any compensation from the promotion, advertising, endorsing, or marketing of any issuer of any penny stock;
- (e) orders Panos to pay disgorgement in the amount of \$1,437,503, plus prejudgment interest thereon in the amount of \$345,000; and
- (f) orders Panos to pay a civil penalty in the amount of \$1,437,503 under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

3. Panos agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Panos pays pursuant to the Final

Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Panos further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Panos pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

4. Panos waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Panos waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

6. Panos enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Panos to enter into this Consent.

7. Panos agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

8. Panos will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Panos waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Panos of its terms and conditions. Panos further agrees to provide counsel for the Commission, within thirty

days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Panos has received and read a copy of the Final Judgment.

10. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Panos in this civil proceeding. Panos acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Panos waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Panos further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Panos understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

11. Panos understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies

the allegations.” As part of Panos’ agreement to comply with the terms of Section 202.5(e), Panos: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Panos does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Panos does not deny the allegations; (iii) upon the filing of this Consent, Panos hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint; and (iv) stipulates solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code [11 U.S.C. §523] that the allegations in the complaint are true, and further, that any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Panos under the Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Panos of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code [11 U.S.C. §523(a)(19)]. If Panos breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Panos’: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

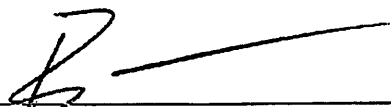
12. Panos hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney’s fees or other fees, expenses, or costs expended by Panos to defend against this action. For these purposes, Panos agrees that

Panos is not the prevailing party in this action since the parties have reached a good faith settlement.

13. Panos agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

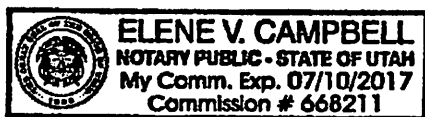
14. Panos agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

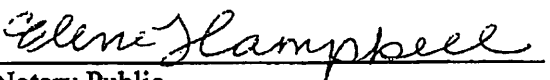
Dated: December 12, 2016



Edward F. Panos

On December 12, 2016, Edward F. Panos, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.





Notary Public
Commission expires: 7 10 17

Approved as to form:

/s/ Brent R. Baker
Brent R. Baker
Clyde Snow & Sessions PC
201 South Main Street, Suite 1300
Salt Lake City, UT 84111
Phone: 801-322-2516
brb@clydesnow.com

UNITED STATES DISTRICT COURT
FOR THE
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SECURITIES AND EXCHANGE COMMISSION,

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ALLISON G. PANOS,

Relief Defendant.

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[PROPOSED] FINAL JUDGMENT AS TO DEFENDANT EDWARD F. PANOS

The Securities and Exchange Commission having filed a Complaint and Edward F. Panos (“Panos”) having entered a general appearance; consented to the Court’s jurisdiction over Panos and the subject matter of this action and waived any objection to venue; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

PERMANENT INJUNCTION

A. Section 10(b) and Rule 10b-5 of the Securities Act

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Panos is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities

Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Panos’ officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Panos or with anyone described in (a).

B. Section 17(a) of the Securities Act

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Panos is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;

- (b) to obtain money or property by means of any untrue statement of a material factor any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Panos' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Panos or with anyone described in (a).

C. Section 5 of the Securities Act

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Panos is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has

been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Panos' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Panos or with anyone described in (a).

D. Section 13(g) of the Exchange Act and Rule 13d-1

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Panos is permanently restrained and enjoined from violating Section 13(g) of the Exchange Act [15 U.S.C. § 78m(g)] and Rule 13d-1 [17 C.F.R. § 240.13d-1] promulgated thereunder, by:

- (a) failing to file with the Commission a statement containing the information required by Schedule 13G (as provided in 17 C.F.R. § 240.13d-102), within 45 days after the end of the calendar year in which he was or became directly or indirectly the beneficial owner of more than five percent of any equity security of a class which is specified in Exchange Act Rule 13d-1(i) [17 C.F.R. § 240.13d-1(i)]; or

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Panos'

officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Panos or with anyone described in (a).

E. Section 20(b) of the Exchange Act

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Panos is permanently restrained and enjoined from violating Section 20(b) of the Exchange Act [15 U.S.C. § 78t(b)] by directly or indirectly, through or by means of any other person, doing any act or thing which would be unlawful for Panos to do under the Exchange Act or any rule or regulation thereunder.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Panos' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Panos or with anyone described in (a).

II.

OFFICER AND DIRECTOR BAR

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] [and/or Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)]], Panos is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

III.

PENNY STOCK BAR

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Panos is prohibited from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Panos is prohibited from causing or deriving any compensation from the promotion, advertising, endorsing, or marketing of any issuer of any penny stock.

VI.

DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL PENALTY

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Panos is liable for disgorgement of \$1,437,503, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$345,000, and a civil penalty in the amount of \$1,437,503 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Panos shall satisfy this obligation by paying \$3,220,006 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

Panos may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly

from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Panos may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Panos' name as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Panos shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Panos relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Panos. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment]. Panos shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

VII.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Panos shall comply with all of the undertakings and agreements set forth therein.

VIII.

BANKRUPTCY NONDISCHARGEABILITY

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by Panos, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Panos under this Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Panos of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

IX.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

X.

RULE 54(b) CERTIFICATION

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: _____, 2016

UNITED STATES DISTRICT JUDGE