

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF:
PAUL J. CIRIGLIANO A/K/A PAUL CIRANO,
and PANOPTIC CORPORATION, and
its managers, officers, affiliates, subsidiaries, representatives,
successors, and assigns.

FILE NO. 10-00091

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS:

**Paul J. Cirigliano a/k/a Paul Cirano
28522 W. Lindbergh Dr.
Barrington, Illinois 60010**

**Panoptic Studios, Inc.
26370 North Illinois Route 59
Wauconda, Illinois 60084**

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

- 1 Respondent Paul Cirigliano a/k/a Paul Cirano ("P Cirigliano") is a natural person who holds himself out as the President and Chief Executive Officer of Panoptic Studios, Inc. ("Panoptic") with a last known address of 28522 West Lindbergh Drive, Barrington, Illinois 60010
- 2 Respondent Panoptic Studios, Inc, ("Panoptic") is an Illinois corporation incorporated October 8, 2008 and involuntarily dissolved by the Illinois Secretary of State on March 13, 2010 with a last known address of 26370 North Illinois, Route 59, Wauconda, Illinois 60084.
- 3 Panoptic purports to be a film, video, motion graphics, and website production company with customers all over the United States.

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4. On or about November 1, 2005 to the present, Respondent P. Cirigliano through Respondent Panoptic offered and sold to at least one Illinois resident ("Investor") promissory notes in various amounts and paying interest in the amount of 18 percent per annum or 1.5 percent per month. The maturity periods for these promissory notes also varied from 30 to 90 days
5. Respondent P. Cirigliano represented to the Investor that the money invested would be used to purchase used camera equipment without high definition ("HD") capabilities and resell it for a substantial profit to companies who still had the need for this kind of equipment.
6. Respondents' activities described above involve the offer and sale of a promissory note as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS] (the "Act").

COUNT I

FRAUD

FAILURE TO DISCLOSE FELONY CRIMINAL CONVICTIONS

7. At all relevant times, the Respondent never disclosed to the Investor the existence of the following felony criminal convictions:
 - a. On October 7, 1991, Respondent P. Cirigliano pled guilty and was convicted in the United States District Court for the District of Rhode Island, Criminal Case, Case No. 91-CR62-1, of one felony count of fraud by wire and one felony count of failing to report over \$10,000.00, US Code Section 5313. The Respondent pled guilty to both counts and was sentenced to serve a 46 month, 3 year probation and restitution totaling \$551,930.00. To date, the Respondent has satisfied only \$2,565.00 of the \$551,930.00 restitution.
 - b. On April 20, 1992, Respondent P. Cirigliano was found guilty in the 12th Circuit Court of Sarasota, Florida, Criminal Case No. 1991 CF 001899 NC, of one felony count of larceny, stolen property valued at \$100,000.00 or more, 812.014(2B), and one felony count of first degree, grand larceny, 812.014(2A1).
8. Information regarding the criminal conviction record of the person who manages a business venture is information that would be material to a reasonable person considering whether to invest in the venture.
9. The Respondent P. Cirigliano purported to be the chief managing officer of the business venture involving the resale of camera equipment without HD capabilities to various companies. It is reasonable that the Investor would have found the Respondent's felony criminal convictions, which included fraudulent

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and deceptive acts, material information in deciding whether or not to purchase promissory notes that were associated with the business venture identified above

- 10 The above-mentioned omissions of fact address the competency, integrity, and the financial capabilities of the Respondent to pay back to the Investor the stated interest payments and principal
- 11 Section 12.F of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to engage in any transaction, practice or course of business in conjunction with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof
- 12 By virtue of the foregoing, Respondent violated Section 12 F of the Act.
13. Section 12.G of the Act provides, *inter alia*, that it shall be a violation of the Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission 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.
- 14 By virtue of the foregoing, Respondent violated Section 12.G of the Act.
15. Section 12.I of the Act provides, *inter alia*, that it shall be a violation of the Act for any person, “to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly”.
- 16 By virtue of the foregoing, Respondent violated Section 12 I of the Act.
17. Section 11 F(2) of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq*, (“the Act”) provides, *inter alia*, that the Secretary of State may temporarily prohibit or suspend for a maximum period of 90 days, by an order effective immediately, the offer or sale of securities by any person, if the Secretary of State shall in his or her opinion, based on credible evidence, deem it necessary to prevent an imminent violation of this Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of this Act

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent P. Cirigliano doing business as Respondent Panoptic and his partners, officers and directors, agents, employees, affiliates, successors and assigns are temporarily **PROHIBITED** from offering or selling securities in or from this State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to Enforcement Attorney, Maria Pavone, Illinois Securities Department, 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as

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reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) CALENDAR DAYS AFTER ENTRY OF THIS TEMPORARY ORDER OF PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

Dated This 27th day of August 2010



JESSE WHITE
Secretary of State
State of Illinois

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