

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

IN THE MATTER OF:)	
)	
Ajay Sarkar,)	
)	
Panacea Corporation, and its partners,)	File No. 0900258
members, officers, directors, agents,)	
employees, affiliates, successors and)	
assigns.)	

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENTS:

Ajay Sarkar
13033 Signature Point, Apt. 176
San Diego, CA 92130

Ajay Sarkar
5405 Morehouse Drive, Suite 240
San Diego, CA 92121

Panacea Corporation
c/o Ajay Sarkar
5405 Morehouse Drive, Suite 240
San Diego, CA 92121

Panacea Corporation
c/o its Registered Agent
National Registered Agents, Inc.
160 Greentree Drive, Suite 101
Dover, DE 19904

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:

FRAUD IN THE OFFER AND SALE OF SECURITIES

1. Respondent **Ajay Sarkar** ("Sarkar") is an individual with last known addresses of 13033 Signature Point, Apt. 176, San Diego, CA 92130 and 5405 Morehouse Drive, Suite 240, San Diego, CA 92121.

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2. Respondent **Panacea Corporation** (“Panacea”) is a Delaware corporation with a principal place of business in the State of California. Panacea has a last known address of 5405 Morehouse Drive, Suite 240, San Diego, CA 92121.
3. On February 24, 2003, Panacea was incorporated in the State of Delaware. Panacea was a company that purported to design, develop and distribute computer software for corporations. Sarkar was the Chief Executive Officer of Panacea.
4. At least as early as 2004, Panacea began soliciting private placement investments of Panacea stock by holding organized meetings of potential investors (“investor meetings”).
5. For example, Sarkar held an investor meeting while visiting Skokie, Illinois. During this meeting, Sarkar gave a presentation about Panacea to potential investors and also provided them with documents related to the investment in the company’s stock.
6. Investor A and Investor B were present at the investor meeting held in Illinois.
7. At this investor meeting, Investor A was provided with a private placement memorandum for Panaceas Series A preferred stock, as well as a subscription documents.
8. Based on the information that Sarkar provided him at the investor meeting, Investor A agreed to make an initial investment of \$30,000 in Panacea Series A preferred stock on October 2, 2004.
9. Investor A was subsequently solicited to make two other investments in Panacea Series A preferred stock. As a result of these solicitations, Investor A invested \$10,000 on December 29, 2004 and \$15,000 on March 22, 2005.
10. Based on information provided to him by Sarkar, Investor B also invested in Panacea on a number of occasions. The amount that Investor B invested in Panacea totaled approximately \$500,000.
11. After investing in Panacea Series A preferred stock, Investor A never received any stock certificates from Panacea or any other documents from Panacea that confirmed his investment in the preferred stock.
12. Investor A inquired a number of times through 2007 or 2008 about the status of his investment in Panacea preferred stock, but to date, Investor A has never received any confirmation of his investment.
13. In addition, Investor A has requested that the money that he invested in Panacea be returned to him. To date, Panacea has not returned any money to Investor A.
14. By May or June of 2005, Sarkar had depleted all of Panacea’s funds and contacted Investor B in order to solicit more funds from him.

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15. Before providing Sarkar with the requested funds, Investor B repeatedly requested that Sarkar make available Panacea's books and records so that he could determine the financial condition of Panacea. Sarkar repeatedly refused to allow Investor B to review Panacea's books and records and to date, has not permitted Investor B to review any of Panacea's books and records.
16. Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
17. Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
18. By virtue of the foregoing, Sarkar and Panacea violated Sections 12.A and 12.F of the Act.

OFFER AND SALE OF UNREGISTERED SECURITIES

19. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 "shall be registered either by coordination or qualification prior ... to their offer or sale" in the State of Illinois.
20. Sarkar, both personally and as the CEO of Panacea, failed to file with the Secretary of State an application for registration of the securities described above as required by the Act and, as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer or sale in the State of Illinois.
21. Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
22. Section 12.D of the Act provides, *inter alia*, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
23. By virtue of the foregoing, the Respondents violated Sections 12.A and 12.D of the Act.

PROHIBITION

24. Section 11.F(2) of the Act provides, *inter alia*, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation

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of the Act or to prevent losses to investors that will occur as a result of prior violations of the Act.

25. The entry of this **Temporary Order of Prohibition** prohibiting Respondents Ajay Sarkar and Panacea Corporation or their agents, affiliates, successors and employees, from offering or selling securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents **Ajay Sarkar and Panacea Corporation** and each of Respondents' partners, members, officers and directors, agents, employees, affiliates, successors and assigns, are **Temporarily Prohibited** from offering or selling securities in or from this State for a maximum period of ninety (90) days.

NOTICE is hereby given that Respondent may request a hearing on this matter by transmitting such request in writing to:

James Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
Chicago, Illinois 60602

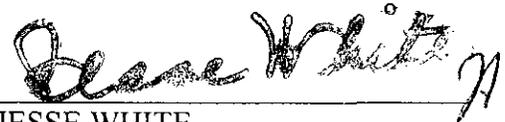
Such request must be made within thirty (30) calendar days of the date of entry of the **Temporary Order of Prohibition**. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order of Prohibition.

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FAILURE OF 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 3rd day of May 2011.

A handwritten signature in black ink that reads "Jesse White" with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

James R. Gleffe
Enforcement Attorney
Illinois Securities Department
Office of the Secretary of State
69 West Washington Street, Suite 1220
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