

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

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

WHEREAS, a Temporary Order of Prohibition was issued by the Illinois Secretary of State, on August 27, 2010, temporarily prohibiting the Respondents from offering or selling securities in the State of Illinois for a maximum period of ninety (90) days.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et seq.*] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order of Prohibition shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondents Paul J. Cirigliano a/k/a Paul Cirano and Panoptic Studios, Inc. have failed to request a hearing on the matters contained in the Temporary Order of Prohibition within thirty (30) calendar days of the entry of said Temporary Order and the Respondents are hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's.

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Findings of Fact as follows:

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.
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.

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- 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 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.

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WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's Conclusions of Law as follows:

1. By virtue of this conduct, Respondents Paul J. Cirigliano a/k/a Paul Cirano and Panoptic Studios, Inc. violated Sections 12.F, 12.G, and 12.I of the Act.
2. By virtue of the foregoing, Respondents Paul J. Cirigliano a/k/a Paul Cirano and Panoptic Studios, Inc and each of their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are subject to, pursuant to Section 11.F of the Act, an Order which permanently prohibits them from offering or selling securities in the State of Illinois.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to Section 11.F of the Act, Respondents Paul J. Cirigliano a/k/a Paul Cirano and Panoptic Studios, Inc and each of their partners, members, officers and directors, agents, employees, affiliates, successors and assigns are hereby **PROHIBITED** from offering or selling any securities in or from the State of Illinois.

Dated: This 26th day of October, 2010.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 Felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, {735 ILCS 5/3-101 et seq.} and the Rules and Regulations of the Illinois Securities Act, {14 Ill. Admin. Code Ch. 1, Section 130.1123}. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:
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