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**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

DONALD E. MacCORD, JR.,
SHANNON D. DOYLE, and
DIGI OUTDOOR MEDIA, INC.

Defendants.

Case No. 2:17-cv-1809

COMPLAINT

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

SUMMARY OF THE ACTION

1. From 2013 through November 2014, defendants Donald E. MacCord, Jr. and Shannon D. Doyle raised approximately \$4.5 million from more than 60 investors in a fraudulent securities offering by defendant Digi Outdoor Media, Inc. (“Digi”), a company that MacCord founded. MacCord and Doyle claimed that investor funds would be used to build Digi’s business and touted the company’s plan to generate revenue by leasing space to install digital signs for commercial advertising.

2. Rather than building Digi’s business, MacCord and Doyle surreptitiously siphoned off more than \$2 million for themselves, even as they were raising money from

1 additional investors. MacCord and Doyle diverted more than \$1.6 million to pay for, among
2 other things, MacCord's rent and utilities for a mansion in Southern California, private school
3 tuition for his children, luxury cars, and vacations. They used more than \$625,000 of investor
4 funds on Doyle's other, unrelated, businesses.

5 3. MacCord and Doyle carried out their scheme by creating a fictitious vendor that
6 they controlled. Doyle created fake invoices from the vendor to charge Digi for construction and
7 improvements purportedly performed at properties in Washington, DC. In reality, Digi had not
8 leased space to construct signage, had no legal right to order construction, and had not performed
9 any work at the properties. Doyle nevertheless caused Digi to pay the fake invoices from the
10 vendor. Doyle then used the funds deposited in the fictitious vendor's bank account to pay
11 MacCord's various personal expenses and for Doyle's own businesses. In addition, with Doyle's
12 knowledge, MacCord separately took money directly from Digi for his personal use.

13 4. In February 2015, Digi filed a registration statement with the Commission,
14 seeking to sell shares of the company to the public. The registration statement painted a
15 misleading picture for prospective investors about Digi's ability to generate revenue, its financial
16 condition, and its prospects for success. MacCord and Doyle helped prepare the misleading
17 registration statement and provided false information to the firm retained to audit the company's
18 false financial statements. MacCord ultimately fired the auditor when it insisted on attempting to
19 confirm the facts underlying the financial statements.

20 5. Defendants have violated and will continue to violate the federal securities laws.
21 Digi continued to solicit investors into 2016, securing an investment partner to fund the
22 company. MacCord and Doyle are currently soliciting investment for a new venture. In order to
23 protect the investing public and halt defendants' fraud, the Commission seeks an order to enjoin
24 defendants from further violations of the federal securities laws and provide other equitable and
25 related relief.

JURISDICTION AND VENUE

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2 6. The Commission brings this action pursuant to Sections 20(b), 20(d), and 22(a)
3 of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77t(b), 77t(d), and 77v(a)] and
4 Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 (“Exchange Act”)
5 [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

6 7. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1)
7 and 22(a) of the Securities Act [15 U.S.C. §§ 77t(b), 77t(d)(1), and 77v(a)] and Sections 21(d),
8 21(e) and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e) and 78aa].

9 8. Defendants, directly or indirectly, made use of the means and instrumentalities of
10 interstate commerce or of the mails in connection with the acts, transactions, practices, and
11 courses of business alleged in this complaint.

12 9. Venue is proper in this District pursuant to Section 22(a) of the Securities Act
13 [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. § 78aa(a)]. Digi is
14 headquartered in Snoqualmie, Washington. In addition, acts, transactions, practices, and courses
15 of business that form the basis for the violations alleged in this complaint occurred in this
16 District. MacCord and Doyle met with and solicited prospective Digi investors in this District,
17 Digi investors reside in this District, and MacCord provided false documents and information to
18 Digi’s auditor in this District.

19 10. Assignment to the Seattle Division is appropriate pursuant to Rule 3(e)(1) of the
20 Court’s Local Civil Rules because a substantial part of the events that gave rise to the claims
21 alleged herein occurred in King County. In addition, Digi is headquartered in King County and
22 defendant MacCord maintains a residence in King County.

DEFENDANTS

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24 11. **Digi Outdoor Media, Inc.** is a Nevada corporation headquartered in
25 Snoqualmie, Washington. It installs outdoor signs on buildings for advertising.

26 12. **Donald E. MacCord, Jr.**, age 50, is Digi’s founder. MacCord was Digi’s Chief
27 Executive Officer from January 2014 to February 2016 and has been a member of its Board of
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1 Directors from Digi's formation to the present. In 2014 and 2015, MacCord's salary from Digi
2 was \$180,000. From 2014 through the present, MacCord has been a resident of Fall City,
3 Washington, and Vashon Island, Washington.

4 13. **Shannon D. Doyle**, age 50, is Digi's Chief Financial Officer and a member of its
5 Board of Directors. He is a Certified Public Accountant licensed to practice in the State of
6 Maryland and was formerly licensed in the State of Washington. In 2014 and 2015, Doyle's
7 salary from Digi was \$120,000. Doyle resides in Rockville, Maryland.

8 **FACTUAL ALLEGATIONS**

9 **A. MacCord Raised Approximately \$4.5 Million from Investors to Form Digi**

10 14. MacCord and Doyle have been friends for nearly 20 years and have formed and
11 operated several companies together. From 2004 until 2010, they were employed at a
12 Washington-based company that sells outdoor signage for advertising.

13 15. MacCord founded Digi in 2009 and hired Doyle as the company's Chief
14 Financial Officer in December 2010.

15 16. According to MacCord's business plan for Digi, the company intended to install
16 outdoor digital display signs for advertising in the Washington, DC metropolitan area. As part of
17 the business plan, Digi needed to lease space on buildings to construct and place the signs.

18 17. Digi sought to raise money from investors to pay for sign construction and other
19 expenses. MacCord, Doyle, and other Digi board members met in the summer of 2013 and
20 decided to seek private investors to fund Digi's business. As part of their capital raising plan, the
21 board members contemplated that Digi would become a publicly-traded company soon after
22 raising private investments.

23 18. From 2013 through at least November 2014, Digi offered investments in the form
24 of convertible promissory notes. The notes had two-year terms and paid 25 percent interest
25 annually. The notes entitled investors to convert their loans to Digi into common stock—that is,
26 to convert the investors from being lenders to the company to being owners of the company.
27 Digi structured the notes with favorable conversion terms in order to encourage investors to
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1 convert the notes to common stock. That way, Digi hoped to avoid having to repay the
2 outstanding debt to investors.

3 19. Digi sold the notes to more than 60 investors throughout the United States,
4 including in the State of Washington. In total, Digi raised approximately \$4.5 million from the
5 note sales. Digi represented that “[t]he Company plans to use the proceeds from this offering for
6 general working capital” in the Note Purchase Agreements signed by investors. MacCord signed
7 most of the “Acceptances” for the Note Purchase Agreements on behalf of Digi.

8 20. MacCord led Digi’s effort to raise money. He personally pitched prospective
9 investors in Seattle and Spokane and other locations using a slide presentation that he prepared.
10 Among other things, MacCord’s presentation described Digi’s business and business plan,
11 projected revenues, and touted “[h]igher than usual returns on investment.”

12 21. In his presentation, MacCord represented that Digi would use the money raised in
13 the offering to operate the business, including purchasing and installing signs, paying the leases,
14 and hiring contractors.

15 22. Doyle substantially assisted MacCord’s efforts to pitch investors. For example,
16 he reviewed and edited MacCord’s slide presentation, and helped prepare finance-related
17 portions of the presentation. He also provided information to Digi’s investment banking firm
18 and prepared materials for other investor pitches when asked. In addition, he attended some of
19 MacCord’s presentations to investors. Doyle knew that MacCord told investors that Digi would
20 use the proceeds from the note offering to operate Digi’s business, including purchasing and
21 installing signs, paying the leases, and hiring contractors.

22 23. MacCord’s presentation also included an assertion that Digi “is currently in
23 process of a public offering[.]” From the outset, MacCord talked up Digi’s planned public
24 offering as one of Digi’s primary objectives. Digi’s planned public offering was an important
25 factor for investors considering the private offering because it would allow them to sell their
26 shares to the general public, presumably for a profit.

1 24. As Digi's CFO, Doyle tracked the money raised from investors and was
2 responsible for maintaining the promissory notes and loan agreements. He was also tasked with
3 monitoring whether investors were accredited, so that Digi could avail itself of an exemption
4 from the registration requirements in offering and selling the securities.

5 25. MacCord and Doyle encouraged investors to convert their notes to Digi common
6 stock. Almost all of the investors converted their notes to common stock in 2014.

7 **B. MacCord and Doyle Used Digi Investor Money to Benefit Themselves**

8 26. Contrary to Digi's and MacCord's representations to investors, and in furtherance
9 of their scheme, MacCord and Doyle almost immediately began using investor money for their
10 personal benefit rather than the needs of Digi's business.

11 27. From January 2014 through 2015, Doyle caused Digi to transfer approximately
12 \$3.6 million to Signworks LLC ("Signworks"), a company that MacCord and Doyle created and
13 controlled. Over that period, the transfers from Digi constituted over 97 percent of all funds
14 credited to Signworks' bank account. MacCord and Doyle then used at least \$2.3 million of the
15 Digi investor money transferred to Signworks to pay MacCord's personal expenses and to fund
16 Doyle's other businesses.

17 28. To carry out their scheme, Doyle created false invoices from Signworks that
18 purported to bill Digi for sign construction and installation work at properties in Washington,
19 DC. Although the invoices identified specific properties by address, Digi did not, in fact, have
20 leases for most of the properties identified in the invoices and thus had no legal right to construct
21 or install signs on those properties. Indeed, as of early 2015, Digi had not met with landlords for
22 most of the identified properties, had no leases for them, and had not begun construction at those
23 properties. MacCord and Doyle knew, or were reckless in not knowing, that Digi did not have
24 leases for these properties.

25 29. Doyle arranged to make purported payments on the fake invoices by wiring
26 money from Digi's operating bank account to Signworks' bank account. Notwithstanding the
27 falsity of the invoices that he created, Doyle arranged to make payments by transferring money
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1 from Digi's operating bank account to Signworks' bank account. Doyle controlled both the Digi
2 bank account and the Signworks bank account.

3 30. During 2014, Digi transferred \$2.4 million to Signworks for purported payments
4 on the sham invoices. MacCord and Doyle used at least \$1.6 million of that money to pay,
5 among other things, \$20,000 per month in rent for a Southern California mansion for MacCord's
6 family, to employ nanny and housekeeping services for MacCord's family, private school tuition
7 for MacCord's children, and to buy or lease multiple luxury vehicles for MacCord and his
8 family. Because, among other things, Digi had no sales to customers or other cash inflows,
9 MacCord and Doyle knew, or were reckless in not knowing, that the source of the money they
10 took from Signworks was Digi investor funds.

11 31. Doyle also transferred more than \$625,000 from Signworks' bank account to two
12 other entities that he owned and controlled in 2014. MacCord co-owns with Doyle one of the
13 two entities that received the investor funds. Doyle transferred some of the funds from the two
14 entities to pay MacCord's and Doyle's personal expenses.

15 32. In 2015, Doyle transferred approximately \$1.2 million to Signworks from Digi.
16 MacCord and Doyle used at least \$790,000 of those transferred funds for their personal purposes,
17 including for MacCord to pay rent and utilities for the Southern California mansion and private
18 schooling for his children, and to fund Doyle's other companies.

19 33. In addition to siphoning money through Signworks, MacCord took money
20 directly from Digi's bank accounts to pay for personal expenses. For example, MacCord used
21 money from Digi accounts to pay for a London vacation, apparel from Italian clothiers, and a
22 deposit on a BMW vehicle for his stepson. MacCord also used a debit card linked to Digi's bank
23 account, which he used to make some of these payments.

24 34. During 2014 and 2015, MacCord used funds from Digi's bank account to make
25 payments on a \$177,000 Land Rover that he gave to his wife as a birthday gift. The Land Rover
26 was kept at the MacCord family home in Southern California. MacCord's wife used the Land
27 Rover exclusively for personal and family matters.

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1 35. As Digi's CFO, Doyle received Digi's bank statements each month. He
2 reviewed the expenditures in the bank statements and approved MacCord's use of Digi funds to
3 pay personal expenses from the bank accounts. At times, he authorized and even made payments
4 for MacCord's personal expenses, including the payments for the Land Rover given to
5 MacCord's wife.

6 36. MacCord and Doyle knew, or were reckless in not knowing, that Digi did not use
7 the money raised from the sale of promissory notes in the ways the company represented to
8 investors in its investment presentations or on legitimate Digi business expenses.

9 **C. MacCord and Doyle Engaged in Deceptive Acts to Conceal Their Scheme**

10 37. MacCord and Doyle concealed their misuse of Digi investor funds by making it
11 appear that Signworks was an independently owned business that performed work for Digi, and
12 lent Digi money, through arm's length transactions. In reality, MacCord and Doyle created and
13 controlled Signworks, and used it principally as a conduit to siphon investor funds from Digi.

14 38. In July 2012, with MacCord's knowledge, Doyle formally established Signworks
15 as a Washington limited liability company. Doyle also opened a Signworks bank account, over
16 which he alone had check signing and wire transfer authority. He is identified in Signworks'
17 bank records as the company's Chief Financial Officer.

18 39. MacCord maintained control over Signworks by directing how the money it
19 obtained from Digi was to be used. MacCord instructed Doyle when and where to make
20 payments from the Signworks account. Doyle executed MacCord's directives with respect to the
21 payments.

22 40. Doyle also controlled communications with Signworks. When he formed the
23 company, Doyle used the North Bend, Washington, address of a woman with whom Doyle was
24 romantically involved as Signworks' business address. The woman forwarded Signworks' mail
25 to Doyle when she received it. In addition, Doyle had sole control over Signworks' e-mail
26 address and password, as well as its Internet-based telephone number. Doyle later changed
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1 Signworks' mailing address to a virtual office in Bellevue, Washington, which he paid for with
2 his personal credit card.

3 41. In furtherance of their scheme, MacCord and Doyle created two fake "Loan
4 Agreements" purporting to document \$2.25 million in loans from Signworks to MacCord. The
5 first "Loan Agreement," dated September 1, 2013, purported to lend MacCord \$1.5 million with
6 a two-year repayment term at eight percent interest per year. On the date of the agreement,
7 however, Signworks had no money—its bank balance was zero. From September 1, 2013
8 through 2015, Signworks was funded almost entirely by the money transfers from Digi,
9 including amounts that were supposed payments on the fake invoices.

10 42. MacCord never repaid the purported "loan." Instead, he signed a second "Loan
11 Agreement" dated September 1, 2015—the date the first loan was to become due—which
12 increased the loan amount and extended the purported repayment period by another two years.
13 As of at least April 2017, MacCord had not repaid any of the outstanding principal or interest.

14 43. MacCord and Doyle created both fake agreements between MacCord and
15 Signworks in 2016, backdating the documents to help conceal the source of MacCord's money.
16 Doyle prepared the documents. MacCord signed the two agreements on his own behalf and
17 Doyle signed on behalf of Signworks.

18 **D. MacCord, Doyle, and Digi Filed a Misleading Registration Statement**

19 44. On February 12, 2015, Digi filed a Registration Statement on Form S-1 with the
20 Commission. Through the Registration Statement, Digi sought to register the sale of
21 approximately nine million shares of Digi common stock for sale to the public. Digi hoped to
22 raise \$4.5 million for its existing shareholders, who would be permitted to sell to the investing
23 public under the terms of the proposed registration. None of the funds raised were to be used by
24 Digi—all of the proceeds from the proposed sale, according to the Registration Statement, would
25 go to the selling shareholders.

26 45. MacCord assisted with the preparation of and approved the description of Digi's
27 business in the Registration Statement. Doyle assisted with the preparation of the description of
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1 Digi's purported financial condition in the Registration Statement and prepared the financial
2 statements attached to the Registration Statement. Both MacCord and Doyle signed the
3 Registration Statement as officers of the company.

4 46. Digi's Registration Statement acknowledged that the company's "success will
5 depend heavily upon our ability to quickly develop and build out our digital signage network and
6 to secure long-term lease agreements for our signs at prime locations before our competitors can
7 do so." As corporate officers, MacCord and Doyle understood that obtaining leases was critical
8 to Digi's business. MacCord personally spearheaded Digi's effort to obtain leases. He contacted
9 and met with landlord representatives to pitch Digi's business, led lease negotiations, prepared
10 draft leases and signed the leases on Digi's behalf. He also tracked the status of Digi's efforts to
11 obtain leases, and displayed that status on a white board in Digi's office. MacCord and Doyle
12 understood that, without leases, Digi could not install signs, sell advertising, or generate revenue.

13 47. The Digi Registration Statement contained materially false and misleading
14 statements about the company's lease commitments. In particular, the Registration Statement
15 stated:

16 We have entered into approximately *fourteen long term sign space*
17 *lease commitments covering 76 (outdoor and indoor) sign sites* with
18 third party land owners ranging from 10 to 25 years, and are in
19 negotiations for multiple additional locations. *These leases are*
substantially identical in their terms, and were made in the ordinary
course of developing our business. [Emphasis added.]

20 48. This statement was materially false. When Digi filed its Registration Statement
21 in February 2015, the company had entered into only four leases covering 22 sites, not 14 leases
22 covering 76 sites. MacCord and Doyle knew, or were reckless in not knowing, that the statement
23 in the Registration Statement about the number of Digi's lease commitments and sign sites was
24 false.

25 49. To create the appearance that Digi had entered into leases for the additional sites,
26 MacCord forged, or directed the forgery of, 13 leases. MacCord signed each of the forged leases
27 on behalf of Digi. The counterparties' signatures that appeared on the forged leases, however,
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1 were not authentic. In fact, as MacCord knew, Digi had not entered into leases with the
2 landlords for the identified properties, nor had the signing counterparties actually signed the
3 leases on the landlords' behalf.

4 50. MacCord used the forged leases by providing several of them to another outdoor
5 advertising company as part of an effort to persuade the company to partner with Digi. MacCord
6 also gave the forged leases to Digi's auditors in person during a May 2015 meeting. As
7 MacCord knew, the purpose of the meeting was for the auditors to confirm the leases' existence,
8 as part of their necessary audit procedures.

9 51. The Digi Registration Statement contained other materially false and misleading
10 statements. For example, according to the Registration Statement, leasehold improvements to
11 the company's sign locations under construction at the time of filing were presented as an asset
12 on the balance sheet in the caption line "construction in progress." The amount of the leasehold
13 improvements disclosed in the Registration Statement totaled more than \$2.5 million—or more
14 than 90 percent of the company's assets as of September 30, 2014. In fact, however, the \$2.5
15 million asset on the balance sheet did not reflect leasehold improvements and should not have
16 been presented on the balance sheet as an asset. Instead, the amount was comprised almost
17 entirely of MacCord's and Doyle's misappropriation of investor funds through Signworks, the
18 fictitious vendor that MacCord and Doyle used to bill Digi for nonexistent work. MacCord and
19 Doyle knew, or were reckless in not knowing, that Digi's balance sheet overstated the
20 company's assets.

21 52. In addition, the Registration Statement failed to describe the true nature of the
22 relationship between Digi and Signworks. In a required section of the Registration Statement
23 devoted to describing "Certain Relationships and Related Party Transactions," Digi failed to
24 describe the arrangements with Signworks, or MacCord's and Doyle's control and ownership of
25 Signworks. MacCord and Doyle knew, or were reckless in not knowing, that the Registration
26 Statement misstated the company's related party transactions and failed to disclose their
27 relationship with Signworks.

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1 **E. MacCord and Doyle Misled Digi's Auditor**

2 53. MacCord and Doyle made materially false or misleading statements, and omitted
3 to state material facts, in various communications with Digi's auditor. Digi was required to
4 prepare financial statements, audited by an independent accountant, in order to file the
5 Registration Statement with the Commission.

6 54. In connection with the audit work relating to the Registration Statement, Digi's
7 auditor sought to verify Digi's 2014 payments to Signworks. As Doyle knew, Digi's reported
8 assets were overstated based on his preparation of, and subsequent accounting for, the false
9 Signworks invoices.

10 55. Nevertheless, Doyle provided the auditor with copies of the fake invoices and
11 drafted a confirmation letter to Signworks on behalf of the auditors. He then gave the draft
12 confirmation letter to the auditor without disclosing that he had created the Signworks invoices,
13 that the mailing address on the confirmation letter would route the letter back to him, and without
14 disclosing his and MacCord's connections to Signworks.

15 56. MacCord and Doyle also failed to disclose their connections to Signworks in a
16 separate, written representation letter to the auditor, dated September 24, 2014. The
17 representation letter, signed by both MacCord and Doyle, falsely stated that Digi had "properly
18 accounted for and classified all construction in progress expenditures, and the disclosures are
19 accurate and complete." The letter did not disclose that Digi had mischaracterized the money
20 that MacCord and Doyle siphoned out of Digi as assets, or that the money purportedly paid on
21 the invoices had actually been used to pay MacCord's personal expenses and fund Doyle's other
22 businesses.

23 57. Moreover, MacCord and Doyle falsely stated in the representation letter that
24 related-party transactions had been properly disclosed, including "loans" and "amounts . . .
25 payable to related parties." In fact, MacCord and Doyle did not disclose to the auditor that they
26 controlled Signworks, and they also failed to disclose the purported "loans" from Signworks to
27 MacCord.

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1 58. MacCord and Doyle made additional misleading statements to Digi’s auditor.
2 The auditor asked MacCord and Doyle to each complete questionnaires that asked whether
3 MacCord, Doyle “or any related party of yours had any . . . transfers . . . or other transactions”
4 with Digi or “any transactions entered into with related parties.” In each of their responses,
5 MacCord and Doyle both failed to disclose their connections to Signworks, including MacCord’s
6 purported “loans.”

7 59. In or around May 2015, the auditor sought as part of its audit procedures to
8 confirm the existence of the leases identified in Digi’s Registration Statement in connection with
9 the audit of Digi’s 2014 financial statements. MacCord initially refused to show the leases to the
10 auditor, sending several e-mail messages objecting to the procedure.

11 60. When MacCord relented and allowed the auditor to review the leases, he required
12 the auditor to conduct the review in person at Digi’s attorney’s office. In May 2015, MacCord
13 personally handed the auditor approximately 10 to 12 of the forged leases, each of which the
14 auditor noted by address in contemporaneous notes. When the auditor insisted on sending
15 confirmation letters to the landlords, MacCord objected and fired the auditor.

16 61. MacCord’s representations to Digi’s auditor were false. He knew that the leases
17 he provided to the auditor were forged and knew that Digi did not have leases for the locations
18 identified in the documents he provided to the auditor. He also knew that the representation
19 letter he signed and provided to the auditor failed to disclose his connection to Signworks and the
20 fact that he had received a purported loan from Signworks. He also made knowingly false
21 statements in response to auditor questionnaires.

22 62. Doyle also made false representations to Digi’s auditor. He knew that the
23 Signworks invoices he provided to the auditor were fake, and he failed to disclose the fact that
24 the auditor’s confirmation letter would be routed back to him. He also knew that the
25 representation letter he signed and provided to the auditor failed to disclose his connection to
26 Signworks and the fact that MacCord had received a purported loan from Signworks. He also
27 made knowingly false statements in response to auditor questionnaires.
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1 material facts necessary in order to make the statements made, in light of the circumstances in
2 which they were made, not misleading.

3 69. By reason of the foregoing, these defendants violated, and unless restrained and
4 enjoined will continue to violate, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and
5 Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)].

6 **THIRD CLAIM FOR RELIEF**

7 *Aiding and Abetting Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b)*

8 *By Defendant Doyle*

9 70. The Commission re-alleges and incorporates by reference Paragraph Nos. 1
10 through 63.

11 71. By engaging in the conduct set forth above, defendants MacCord and Digi
12 Outdoor Media, Inc. with scienter, directly or indirectly, by use of means or instrumentalities of
13 interstate commerce, or of the mails, or of a facility of a national exchange, in connection with
14 the purchase or sale of securities, made untrue statements of material fact or omitted to state
15 material facts necessary in order to make the statements made, in light of the circumstances in
16 which they were made, not misleading.

17 72. By engaging in the conduct above, defendant Doyle knowingly and recklessly
18 provided substantial assistance to one or more of the defendants MacCord and Digi Outdoor
19 Media, Inc. in their violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and
20 Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-5(b)], and is therefore liable as an aider and
21 abettor pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

22 73. Unless restrained and enjoined, defendant Doyle will continue to aid and abet
23 violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b)
24 [17 C.F.R. § 240.10b-5(b)].

FOURTH CLAIM FOR RELIEF

Violations of Sections 17(a)(1) and 17(a)(3) of the Securities Act

By All Defendants

74. The Commission re-alleges and incorporates by reference Paragraph Nos. 1 through 63.

75. Defendants MacCord, Doyle, and Digi Outdoor Media, Inc., 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: (1) with scienter, employed devices, schemes or artifices to defraud; and (2) engaged in transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchasers of such securities.

76. By reason of the foregoing, these defendants violated, and unless restrained and enjoined will continue to violate, Sections 17(a)(1) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1) & (3)].

FIFTH CLAIM FOR RELIEF

Violations of Section 17(a)(2) of the Securities Act

By Defendants MacCord and Digi Outdoor Media, Inc.

77. The Commission re-alleges and incorporates by reference Paragraph Nos. 1 through 63.

78. Defendants MacCord and Digi Outdoor Media, Inc., 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, obtained money or property by means of untrue statements of material fact, or by omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

79. By reason of the foregoing, these defendants violated, and unless restrained and enjoined will continue to violate, Section 17(a)(2) of the Securities Act [15 U.S.C. § 77q(a)(2)].

SIXTH CLAIM FOR RELIEF

Violations of Exchange Act Rule 13b2-2

By Defendants MacCord and Doyle

80. The Commission re-alleges and incorporates by reference Paragraph Nos. 1 through 63.

81. Defendants MacCord and Doyle, each as an officer and Director of defendant Digi Outdoor Media, Inc., by engaging in the conduct described above, directly or indirectly, made or caused to be made a materially false or misleading statement to an accountant, or omitted to state or caused another person to omit to state any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with the preparation or filing of any document or report required to be filed with the Commission.

82. By reason of the foregoing, these defendants violated, and unless restrained and enjoined will continue to violate, Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court:

I.

Permanently enjoin defendants MacCord, Doyle, and Digi Outdoor Media, Inc. from directly or indirectly violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rules 10b-5 [17 C.F.R. § 240.10b-5] and 13b2-2 [17 C.F.R. § 240.13b2-2] thereunder.

II.

Prohibit defendants MacCord and Doyle from serving as an officer or director of any entity having a class of securities registered with the Commission 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)], pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)].

1 **III.**

2 Permanently restrain and enjoin defendants MacCord, Doyle, and Digi Outdoor Media,
3 Inc. from participating in the offering of any penny stock, including engaging in activities with a
4 broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the
5 purchase or sale of any penny stock, under Section 20(g) of the Securities Act [15 U.S.C. § 77t]
6 and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

7 **IV.**

8 Issue an order requiring defendants MacCord, Doyle, and Digi Outdoor Media, Inc. to
9 disgorge the ill-gotten gains received as a result of the violations alleged herein, plus
10 prejudgment interest thereon.

11 **V.**

12 Issue an order requiring defendants MacCord, Doyle, and Digi Outdoor Media, Inc. to
13 pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]
14 and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

15 **VI.**

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

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VI.

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

Dated: December 4, 2017

Respectfully submitted,

/s/ Justin M. Lichterman

Justin M. Lichterman

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