

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

SEALIFE CORPORATION, ET AL.

Defendants.

Case No. CV07-07398-VBF (PJWx)

**FINAL JUDGMENT AS TO ROBERT E.
MCCASLIN**

On December 22, 2008, following an eight-day jury trial, the jury returned a verdict (Docket No. 122) finding Defendant Robert E. McCaslin liable for the following violations of the federal securities laws: (1) Securities Fraud, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 promulgated thereunder; (2) Securities Fraud, Section 17(a)(1) of the Securities Act of 1933 (“Securities Act”); (3) Securities Fraud, Sections 17(a)(2) and 17(a)(3) of the Securities Act; (4) Failure to File Ownership Reports, Sections 13(d)(1) and 13(d)(2) of the Exchange Act and Rules 13d-1 and 13d-2 promulgated thereunder; (5) Failure to File Ownership Reports, Section 16(a) of the Exchange Act and Rule 16a-3 promulgated

1 thereunder; (6) Sale of Unregistered Securities, Sections 5(a) and 5(c) of the Securities Act; and
2 (7) Aiding and Abetting Company's False SEC Filings, Section 13(a) of the Exchange Act and
3 Rules 12b-20, 13a-11, and 13a-13 promulgated thereunder. The Court enters Judgment on these
4 causes of action against Defendant Robert E. McCaslin in accordance with the jury's verdicts.

5 On January 30, 2009, following a bench trial on remedies held on December 23, 2008,
6 the Court issued an Order (Docket No. 123) imposing the following remedies against Defendant
7 Robert E. McCaslin for the violations found by the jury: (1) permanent injunctions as requested
8 by the Plaintiff SEC; (2) a seven-year officer and director bar; and (3) a third tier civil penalty of
9 \$100,000.
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11 Based on the jury's verdict and the Court's order dated January 30, 2009:

12 I.

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and
14 Defendant's agents, servants, employees, attorneys, and all persons in active concert or
15 participation with them who receive actual notice of this Final Judgment by personal service or
16 otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section
17 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and
18 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
19 instrumentality of interstate commerce, or of the mails, or of any facility of any national
20 securities exchange, in connection with the purchase or sale of any security:
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- 23 (a) to employ any device, scheme, or artifice to defraud;
- 24 (b) to make any untrue statement of a material fact or to omit to state a material fact
25 necessary in order to make the statements made, in the light of the circumstances
26 under which they were made, not misleading; or
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- 1 (c) to engage in any act, practice, or course of business which operates or would
2 operate as a fraud or deceit upon any person.

3 II.

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
5 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or
6 participation with them who receive actual notice of this Final Judgment by personal service or
7 otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities
8 Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or
9 instruments of transportation or communication in interstate commerce or by use of the mails,
10 directly or indirectly:
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- 12 (a) to employ any device, scheme, or artifice to defraud;
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14 (b) to obtain money or property by means of any untrue statement of a material fact
15 or any omission of a material fact necessary in order to make the statements
16 made, in light of the circumstances under which they were made, not misleading;
17 or
18 (c) to engage in any transaction, practice, or course of business which operates or
19 would operate as a fraud or deceit upon the purchaser.
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21 III.

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
23 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or
24 participation with them who receive actual notice of this Final Judgment by personal service or
25 otherwise are permanently restrained and enjoined from violating Section 13(d) of the Exchange
26 Act [15 U.S.C. § 78m(d)] and Rules 13d-1 and 13d-2 thereunder [17 C.F.R. §§ 240.13d-1,
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1 240.13d-2] by failing to timely file with the Commission a statement containing the information
2 required by Section 13(d) and the Rules thereunder after acquiring, directly or indirectly, the
3 beneficial ownership of more than five percent of the class of any equity security registered
4 pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or by failing to timely file with the
5 Commission an amendment to any filed statement containing the information required by
6 Section 13(d) and the Rules thereunder after any material change occurs in facts set forth in the
7 statement including, but not limited to, any material increase or decrease in the percentage of the
8 class of the equity security beneficially owned.
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10 IV.

11 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
12 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or
13 participation with them who receive actual notice of this Final Judgment by personal service or
14 otherwise are permanently restrained and enjoined from violating Section 16(a) of the Exchange
15 Act [15 U.S.C. § 78p(a)] and Rule 16a-3 thereunder [17 C.F.R. § 240.16a-3] by failing to timely
16 file with the Commission a statement containing the information required by Section 16(a) and
17 the Rules thereunder while having, or after acquiring, directly or indirectly, the beneficial
18 ownership of more than 10 percent of the class of any equity security registered pursuant to
19 Section 12 of the Exchange Act [15 U.S.C. § 78l] or while serving as a director or officer of the
20 issuer of any such security.
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23 V.

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
25 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or
26 participation with them who receive actual notice of this Final Judgment by personal service or
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1 otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act
2 [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- 3 (a) Unless a registration statement is in effect as to a security, making use of any
4 means or instruments of transportation or communication in interstate commerce
5 or of the mails to sell such security through the use or medium of any prospectus
6 or otherwise;
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- 8 (b) Unless a registration statement is in effect as to a security, carrying or causing to
9 be carried through the mails or in interstate commerce, by any means or
10 instruments of transportation, any such security for the purpose of sale or for
11 delivery after sale; or
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- 13 (c) Making use of any means or instruments of transportation or communication in
14 interstate commerce or of the mails to offer to sell or offer to buy through the use
15 or medium of any prospectus or otherwise any security, unless a registration
16 statement has been filed with the Commission as to such security, or while the
17 registration statement is the subject of a refusal order or stop order or (prior to the
18 effective date of the registration statement) any public proceeding or examination
19 under Section 8 of the Securities Act [15 U.S.C. § 77h].
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21 VI.

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
23 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or
24 participation with them who receive actual notice of this Final Judgment by personal service or
25 otherwise are permanently restrained and enjoined from aiding and abetting any violation of
26 Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Exchange Act Rules 13a-11, 13a-
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1 13, and 12b-20 [17 C.F.R. §§ 240.13a-11, 240.13a-13, 240.12b-20] by knowingly providing
2 substantial assistance to an issuer that makes material false and misleading statements in current
3 reports on Form 8-K or periodic reports on Forms 10-K, 10-KSB, 10-Q, or 10-QSB or fails to
4 include in such reports material information necessary to make the statements, in light of the
5 circumstances under which they were made, not misleading.
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8 VII.

9 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant
10 to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the
11 Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited, for 7 years following the date of
12 entry of this Final Judgment, from acting as an officer or director of any issuer that has a class of
13 securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78I] or that is
14 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].
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16 VIII.

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
18 shall pay a civil penalty in the amount of \$100,000.00 pursuant to Section 20(d) of the Securities
19 Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].
20 Defendant shall make this payment within ten (10) business days after entry of this Final
21 Judgment by certified check, bank cashier's check, or United States postal money order payable
22 to the Securities and Exchange Commission. The payment shall be delivered or mailed to the
23 Office of Financial Management, Securities and Exchange Commission, Operations Center,
24 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied
25 by a letter identifying Robert E. McCaslin as a defendant in this action; setting forth the title and
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1 civil action number of this action and the name of this Court; and specifying that payment is
2 made pursuant to this Final Judgment. Defendant shall pay post-judgment interest on any
3 delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid
4 pursuant to this paragraph to the United States Treasury.

5 IX.

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

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11 Dated: February 12, 2009

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15 UNITED STATES DISTRICT JUDGE
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