

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

-----X
SECURITIES AND EXCHANGE COMMISSION,

JUDGMENT

Plaintiff,

10-CV-2031 (DLI) (RML)

v.

SPONGETECH DELIVERY SYSTEMS, INC.,
RM ENTERPRISES INTERNATIONAL, INC.,
STEVEN Y. MOSKOWITZ, MICHAEL E. METTER,
GEORGE SPERANZA, JOEL PENSLEY, and
JACK HALPERIN,

Defendants.

and

BLUE STAR MEDIA GROUP, INC. and
BUSINESSTALKRADIO.NET
ACQUISITION CORP.,

Relief Defendants.

-----X

An Order of the Honorable Dora L. Irizarry, United States District Judge, having been filed on August 29, 2018, approving the proposed judgment against Defendant Steven Y. Moskiwitz; directing the Clerk of Court to enter final judgment against this defendant in accord with the consent judgment filed as Docket Entry No. 379-1; dismissing all remaining claims for monetary relief against defendants Spongetech Delivery Systems, Inc., RM Enterprises International, Inc. and Relief Defendant Blue Star Media Group, Inc.; and deeming the prior judgments entered against these defendants as set forth in Docket Entries 193, 213, 269, respectively as final judgments; it is

ORDERED and ADJUDGED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §

240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security: (a) to employ any device, scheme, or artifice to defraud; (b) to make any untrue statement of a material fact or to omit 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; or (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED AND ADJUDGED, that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IT IS HEREBY FURTHER ORDERED AND ADJUDGED, that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly: (a) to employ any device, scheme, or artifice to defraud; (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED AND ADJUDGED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual

notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption: (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED AND ADJUDGED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Exchange Act Rule 13a-13 [17 C.F.R. §§ 240.13a-13] by knowingly or recklessly providing substantial assistance to an issuer that fails to file such quarterly reports as the Commission prescribes, or such information and documents required by the Commission to keep reasonably current the information and documents required to be included in or filed with an application or registration statement filed pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781].

IT IS FURTHER ORDERED AND ADJUDGED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and Exchange Act Rules 12b20, 15d-1, 15d-11, and 15d-13 [17 C.F.R. §§ 240.12b-20, 15d-1, 15d-11, and 15d-13] by knowingly or recklessly providing substantial assistance to an issuer that fails to file with the Commission accurate and complete information, documents, and reports as are required to be filed with the Commission pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 780] and the Commission's rules thereunder, including, but not limited to, annual reports as required by Exchange Act Rule 15d-1 [17 C.F.R. § 240.15d-1], current reports on Form 8-K as required by Exchange Act Rule 15d-11 [17 C.F.R. § 240.15d-11], and quarterly reports on Form 10-Q as required by Exchange Act Rule 15d-13 [17

C.F.R. § 240.15d-13], and which contain, in addition to the information expressly required to be included in such statements or reports, such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they were made, not misleading, as required by Exchange Act Rule 12b-20 [17 C.F.R. § 240.12b-20].

IT IS FURTHER ORDERED AND ADJUDGED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a)

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from aiding and abetting any violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)] by knowingly or recklessly providing substantial assistance to an issuer that fails (A) to make or keep books, records, or accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of its assets; or (B) to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (a) transactions are executed in accordance with management's general or specific authorization; (b) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability for assets; (c) access to assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

IT IS FURTHER ORDERED AND ADJUDGED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Exchange Section 13(b)(5) and Exchange Act Rule 13b2-1 by knowingly circumventing or knowingly failing to implement a system of internal-accounting controls or knowingly falsifying, directly or indirectly, or causing to be falsified, books, records, or accounts maintained pursuant to Exchange Act Section 13(b)(2) [15 U.S.C. § 78m(2)].

IT IS FURTHER ORDERED AND ADJUDGED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from violating Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2], by, directly or indirectly: (a) making or causing to be made a materially false or misleading statement to an accountant, or omitting to state, or causing 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: (i) any audit, review, or examination of the financial statements of an issuer, or (ii) in the

preparation or filing of any document or report required to be filed with the Commission; or (b) taking action, or directing another to take action, to coerce, manipulate, mislead, or fraudulently influence any independent public or certified public accountant engaged in the performance of an audit or review of an issuer's financial statements or documents or reports required to be filed with the Commission, while knowing that such actions, if successful, could result in rendering financial statements materially misleading.

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently restrained and enjoined from, directly or indirectly, violating Exchange Act Rule 15d-14 [17 C.F.R. § 240.15d-14], by falsely certifying that they have reviewed periodic reports containing financial statements which an issuer filed with the Commission pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and that, based on their knowledge, (a) the report does not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report; (b) the financial statements and other financial information included in the report fairly present in all material respects the issuer's financial condition, results of operations and cash flows; and (c) they have disclosed to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting and all instances of fraud that involve management or other employees with a significant role in the issuer's internal controls over financial reporting.

IT IS FURTHER ORDERED AND ADJUDGED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual

notice of this Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited from acting as an officer or director of any issuer that has a class of securities registered 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)].

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant is liable for disgorgement of \$12,716,668 representing profits gained as a result of the conduct alleged in the Complaint (the "Disgorgement Amount"). The Disgorgement Amount is deemed satisfied by way of the Restitution Order entered against Defendant on February 4, 2015 (Docket Entry 426), in *United States v. Moskowitz*, 10 CR 600 (DLI) (the "Criminal Action").

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that the Consent of Defendant Steven Moskowitz is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

IT IS FURTHER ORDERED AND ADJUDGED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

IT IS FURTHER ORDERED AND ADJUDGED that all remaining claims for monetary relief against defendants Spongetech Delivery Systems, Inc., RM Enterprises International, Inc. and Relief Defendant Blue Star Media Group, Inc. are hereby DISMISSED; and that the prior judgments entered against these defendants as set forth in Docket Entries 193 , 213 , 269 , respectively, are hereby deemed FINAL JUDGMENTS.

Dated: Brooklyn, New York
August 30, 2018

Douglas C. Palmer
Clerk of Court

By: /s/Jalitzza Poveda
Deputy Clerk