

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Vincent Mehdizadeh having consented to the Court’s jurisdiction over
3 Defendant and the subject matter of this action; consented to entry of this Final
4 Judgment without admitting or denying the allegations of the Complaint (except as
5 to jurisdiction and except as otherwise provided herein in paragraph XIII; waived
6 findings of fact and conclusions of law; and waived any right to appeal from this
7 Final Judgment:

8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
10 permanently restrained and enjoined from violating, directly or indirectly, Section
11 10(b) of the Securities Exchange Act (the “Exchange Act”) [15 U.S.C. § 78j(b)] and
12 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
13 instrumentality of interstate commerce, or of the mails, or of any facility of any
14 national securities exchange, in connection with the purchase or sale of any security:

- 15 (a) to employ any device, scheme, or artifice to defraud;
16 (b) to make any untrue statement of a material fact or to omit to state a
17 material fact necessary in order to make the statements made, in the light
18 of the circumstances under which they were made, not misleading; or
19 (c) to engage in any act, practice, or course of business which operates or
20 would operate as a fraud or deceit upon any person.

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

27 II.

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
2 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale
3 of any security by the use of any means or instruments of transportation or
4 communication in interstate commerce or by use of the mails, directly or indirectly:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to obtain money or property by means of any untrue statement of a
7 material fact or any omission of a material fact necessary in order to
8 make the statements made, in light of the circumstances under which
9 they were made, not misleading; or
- 10 (c) to engage in any transaction, practice, or course of business which
11 operates or would operate as a fraud or deceit upon the purchaser.

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

18 III.

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
20 Defendant is permanently restrained and enjoined from violating Section 5 of the
21 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of an
22 applicable exemption:

- 23 (a) Unless a registration statement is in effect as to a security, making use of
24 any means or instruments of transportation or communication in
25 interstate commerce or of the mails to sell such security through the use
26 or medium of any prospectus or otherwise;
- 27 (b) Unless a registration statement is in effect as to a security, carrying or
28 causing to be carried through the mails or in interstate commerce, by any

1 means or instruments of transportation, any such security for the purpose
2 of sale or for delivery after sale; or

- 3 (c) Making use of any means or instruments of transportation or
4 communication in interstate commerce or of the mails to offer to sell or
5 offer to buy through the use or medium of any prospectus or otherwise
6 any security, unless a registration statement has been filed with the
7 Commission as to such security, or while the registration statement is the
8 subject of a refusal order or stop order or (prior to the effective date of
9 the registration statement) any public proceeding or examination under
10 Section 8 of the Securities Act [15 U.S.C. § 77h].

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

17 IV.

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
19 Defendant is permanently restrained and enjoined from violating Section 15(a)(1) of
20 the Exchange Act [15 U.S.C. §§ 78o(a)(1)] by making use of the mails or any means
21 or instrumentality of interstate commerce to effect any transaction in, or to induce or
22 attempt to induce the purchase or sale of, any security, without being registered as a
23 broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §
24 78o(b)].

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
26 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
27 binds the following who receive actual notice of this Judgment by personal service or
28 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and

1 (b) other persons in active concert or participation with Defendant or with anyone
2 described in (a).

3 V.

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant is permanently restrained and enjoined from violating, directly or
6 indirectly, Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2] by:

- 7 a) making or causing to be made a materially false or misleading statement,
8 or by omitting to state or causing another person to omit to state, any
9 material fact necessary in order to make statements made, in light of the
10 circumstances under which such statements were made, not misleading,
11 to an accountant in connection with: (a) any audit, review or
12 examination of the financial statements of an issuer required to be made
13 pursuant to the federal securities laws; or (b) the preparation or filing of
14 any document or report required to be filed with the Commission
15 pursuant to the federal securities laws or otherwise; or
16 b) taking any action, as an officer or director of an issuer, or as any other
17 person acting under the direction thereof, to coerce, manipulate, mislead,
18 or fraudulently influence any independent public or certified public
19 accountant engaged in the performance of an audit or review of the
20 financial statements of that issuer that are required to be filed with the
21 Commission pursuant to the federal securities laws or otherwise, if he
22 knows or should have known that such action, if successful, could result
23 in rendering the issuer's financial statements materially misleading.

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

1 described in (a).

2 VI.

3 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
4 Defendant is permanently restrained and enjoined from aiding and abetting any
5 violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-
6 20, 13a-11 and 13a-13 promulgated thereunder, by knowingly or recklessly providing
7 substantial assistance to an issuer's failure to file accurate periodic and current reports
8 with the Commission.

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

15 VII.

16 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
17 Defendant is permanently restrained and enjoined from aiding and abetting any
18 violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by
19 knowingly or recklessly providing substantial assistance to an issuer's failure to make
20 and keep books, records, and accounts, which, in reasonable detail, accurately and
21 fairly reflect the transactions and dispositions of the assets of the issuer.

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

VIII.

1
2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
3 Defendant is permanently restrained and enjoined from aiding and abetting any
4 violation of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by
5 knowingly or recklessly providing substantial assistance to an issuer's failure to
6 devise and maintain a system of internal accounting controls sufficient to provide
7 reasonable assurances that: (i) transactions are executed in accordance with
8 management's general or specific authorization; (ii) transactions are recorded as
9 necessary (I) to permit preparation of financial statements in conformity with
10 generally accepted accounting principles or any other criteria applicable to such
11 statements, and (II) to maintain accountability for assets; (iii) access to assets is
12 permitted only in accordance with management's general or specific authorization;
13 and (iv) the recorded accountability for assets is compared with the existing assets at
14 reasonable intervals and appropriate action is taken with respect to any differences.

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

21 IX.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant
23 to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and/or Section 20(e)
24 of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited from acting as an
25 officer or director of any issuer that has a class of securities registered pursuant to
26 Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports
27 pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].
28

1 X.

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

8 XI.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
10 is liable for disgorgement of \$6,014,048, representing profits gained as a result of the
11 conduct alleged in the Complaint, together with prejudgment interest thereon in the
12 amount of \$270,299.35, and a civil penalty in the amount of \$6,014,048 pursuant to
13 Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.
14 Defendant shall satisfy this obligation by paying \$12,298,395.35 to the Securities and
15 Exchange Commission within 14 days after entry of this Final Judgment.

16 Defendant may transmit payment electronically to the Commission, which will
17 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
18 be made directly from a bank account via Pay.gov through the SEC website at
19 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
20 check, bank cashier's check, or United States postal money order payable to the
21 Securities and Exchange Commission, which shall be delivered or mailed to

22 Enterprise Services Center
23 Accounts Receivable Branch
24 6500 South MacArthur Boulevard
25 Oklahoma City, OK 73169

26 and shall be accompanied by a letter identifying the case title, civil action number,
27 and name of this Court; Vincent Mehdizadeh as a defendant in this action; and
28 specifying that payment is made pursuant to this Final Judgment.

1 Defendant shall simultaneously transmit photocopies of evidence of payment
2 and case identifying information to the Commission's counsel in this action. By
3 making this payment, Defendant relinquishes all legal and equitable right, title, and
4 interest in such funds and no part of the funds shall be returned to Defendant. The
5 Commission shall send the funds paid pursuant to this Final Judgment to the United
6 States Treasury.

7 The Commission may enforce the Court's judgment for disgorgement and
8 prejudgment interest by moving for civil contempt (and/or through other collection
9 procedures authorized by law) at any time after 14 days following entry of this Final
10 Judgment. Defendant shall pay post judgment interest on any delinquent amounts
11 pursuant to 28 U.S.C. § 1961.

12 XII.

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

17 XIII.

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
19 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
20 11 U.S.C. § 523, the allegations in the complaint are true and admitted by Defendant,
21 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
22 amounts due by Defendant under this Final Judgment or any other judgment, order,
23 consent order, decree or settlement agreement entered in connection with this
24 proceeding, is a debt for the violation by Defendant of the federal securities laws or
25 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of
26 the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

27 XIV.

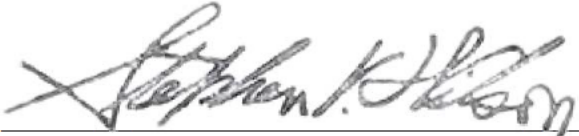
28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court

1 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
2 Final Judgment.

3 XV.

4 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
5 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
6 and without further notice.

7 Dated: March 21, 2017

8 
9 UNITED STATES DISTRICT JUDGE
10 STEPHEN V. WILSON
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28