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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

JASON McDIARMID, KENNETH
TELFORD and INTERACTIVE MULTI-
MEDIA AUCTION CORP. (aka STOP
SLEEP GO INC.)

Defendants,

Case No. 2:17-CV-07201-SVW-FFM

[Signature]
**[PROPOSED] JUDGMENT OF
DEFAULT AGAINST DEFENDANT
JASON MCDIARMID**

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This matter came before the Court on the Securities and Exchange Commission’s (“SEC”) Motion for Entry of Default Judgment against Defendant Jason McDiarmid . The Court having considered the SEC’s Complaint, the Motion, the supporting Memorandum of Points and Authorities, the supporting declarations and exhibits, and the other evidence and argument presented to the Court, finds that:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the SEC’s Motion for Default Judgment Against Defendant Jason McDiarmid (“Defendant” or “McDiarmid”) is GRANTED.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant McDiarmid, and his officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- A. employing any device, scheme or artifice to defraud;
 - B. obtaining money or property by means of untrue statements of a 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; or
 - C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;
- in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

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III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant McDiarmid, and his officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme or artifice to defraud;
- B. making any untrue statement of a material fact or omitting 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. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant McDiarmid, and his officers, agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons in active concert or participation with any of them, who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly:

- 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;

1 B. unless a registration statement is in effect as to a security, carrying or
2 causing to be carried through the mails or in interstate commerce, by any
3 means or instruments of transportation, any such security for the purpose
4 of sale or for delivery after sale; or

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

13 in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”),
14 15 U.S.C. §§ 77e(a) & 77e(c).

15 V.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
17 McDiarmid, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. §
18 78u(d)(2)] and/or Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], is
19 prohibited from acting as an officer or director of any issuer that has a class of
20 securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 781] or
21 that is required to file reports pursuant to Section 15(d) of the Exchange Act [15
22 U.S.C. § 78o(d)].

23 VI.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
25 McDiarmid is prohibited from participating in an offering of penny stock, including
26 engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading,
27 or inducing or attempting to induce the purchase or sale of any penny stock. A penny
28 stock is any equity security that has a price of less than five dollars, except as

1 provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

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3 **VII.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
5 is liable for disgorgement of \$\$3,177,268.16, representing ill-gotten gains obtained as
6 a result of the conduct alleged in the Complaint, plus prejudgment interest thereon in
7 the amount of \$\$291,035.66, for a total of \$\$3,468,303.82. Defendant shall satisfy
8 this obligation by paying \$\$3,468,303.82 to the SEC within 14 days after entry of this
9 Judgment. Defendant may transmit payment electronically to the SEC, which will
10 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
11 be made directly from a bank account via Pay.gov through the SEC website at
12 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
13 check, bank cashier's check, or United States postal money order payable to the
14 Securities and Exchange Commission, which shall be delivered or mailed to:

15 Enterprise Service Center
16 Accounts Receivable Branch
17 6500 South MacArthur Boulevard
18 Oklahoma City, OK 73169

19 and shall be accompanied by a letter identifying the case title, civil action number,
20 and name of this Court; Jason McDiarmid as a defendant in this action; and
21 specifying that payment is made pursuant to this Judgment.

22 Defendant shall simultaneously transmit photocopies of evidence of payment
23 and case identifying information to the SEC's counsel in this action. By making this
24 payment, Defendant relinquishes all legal and equitable right, title, and interest in
25 such funds and no part of the funds shall be returned to Defendant. The SEC shall
26 send the funds paid pursuant to this Judgment to the United States Treasury.

27 The SEC may enforce the Court's judgment for disgorgement and
28 prejudgment interest by moving for civil contempt (and/or through other collection
procedures authorized by law) at any time after 14 days following entry of this

1 Judgment. Defendant shall pay post judgment interest on any delinquent amounts
2 pursuant to 28 U.S.C. § 1961.

3 **VIII.**

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
5 McDiarmid shall pay a third tier civil penalty in the amount of \$\$1,644,766.00,
6 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section
7 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall make his
8 required payment within 14 days after entry of this Final Judgment by certified check,
9 bank cashier's check, or United States postal money order payable to the Securities
10 and Exchange Commission. The payment shall be delivered or mailed to the Office
11 of Financial Management, Securities and Exchange Commission, Operations Center,
12 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
13 accompanied by a letter identifying the respective defendant making the payment and
14 identifying him or her as a defendant in this action; setting forth the title and civil
15 action number of this action and the name of this Court; and specifying that payment
16 is made pursuant to this Final Judgment. A copy of the letter and payment shall be
17 simultaneously served on counsel for the Commission in this action. Defendant shall
18 pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.
19 The Commission shall remit the funds paid pursuant to this paragraph to the United
20 States Treasury.

21 **IX.**

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
23 shall retain jurisdiction of this matter for purposes of enforcing the terms of this
24 Judgment.

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3 X.

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 Judgment forthwith and
6 without further notice.

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9 Dated: 10/25/18



HONORABLE STEPHEN V. WILSON
UNITED STATES DISTRICT JUDGE

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