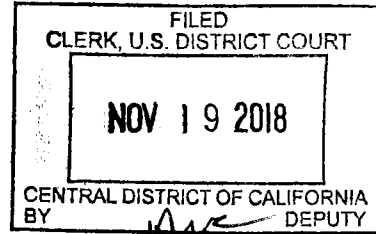


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9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA  
11 WESTERN DIVISION

12  
13 SECURITIES AND EXCHANGE  
COMMISSION,

14 Plaintiff,

15 vs.

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

19 Defendants.  
20  
21  
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23  
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Case No. 2:17-CV-07201-SVW-FFM

~~PROPOSED~~ FINAL JUDGMENT  
AGAINST DEFENDANT  
KENNETH TELFORD

1 The Securities and Exchange Commission having filed a Complaint and  
2 Defendant Kenneth Telford having entered a general appearance; consented to the  
3 Court's jurisdiction over Defendant and the subject matter of this action; consented to  
4 the entry of a judgment as to liability, without admitting or denying the allegations of  
5 the Complaint (except as to jurisdiction and except as otherwise provided herein in  
6 paragraph IX) ;waived findings of fact and conclusions of law; waived any right to  
7 appeal from this that judgment; and upon motion by the SEC for the imposition of  
8 monetary remedies against Telford, which came before the Court, and the Court,  
9 having considered all of the evidence and arguments presented by the parties with  
10 regard to the SEC's Motion for Monetary Relief Against Defendant Kenneth Telford,  
11 the Memorandum of Points and Authorities and the other documents filed in support  
12 of that Motion, finds that:

13 **I.**

14 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the SEC's  
15 Motion for Monetary Relief Against Defendant Kenneth Telford is GRANTED.

16 **II.**

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

- 24 A. employing any device, scheme or artifice to defraud;  
25 B. obtaining money or property by means of untrue statements of a material  
26 fact or by omitting to state a material fact necessary in order to make the  
27 statements made, in light of the circumstances under which they were  
28 made, not misleading; or

1 C. engaging in any transaction, practice, or course of business which  
2 operates or would operate as a fraud or deceit upon the purchaser;  
3 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

4 **III.**

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

- 13 A. employing any device, scheme or artifice to defraud;  
14 B. making any untrue statement of a material fact or omitting to state a  
15 material fact necessary in order to make the statements made, in the light  
16 of the circumstances under which they were made, not misleading; or  
17 C. engaging in any act, practice, or course of business which operates or  
18 would operate as a fraud or deceit upon any person;

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

21 **IV.**

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

- 27 A. unless a registration statement is in effect as to a security, making use of  
28 any means or instruments of transportation or communication in

1 interstate commerce or of the mails to sell such security through the use  
2 or medium of any prospectus or otherwise;

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

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

15 in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”),  
16 15 U.S.C. §§ 77e(a) & 77e(c).

17 **V.**

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

24 **VI.**

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
26 is prohibited from participating in an offering of penny stock, including engaging in  
27 activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing  
28 or attempting to induce the purchase or sale of any penny stock. A penny stock is any

1 equity security that has a price of less than five dollars, except as provided in Rule  
2 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

3 **VII.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
5 is liable for disgorgement of \$3,316,235.48, 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 \$302,871.91, for a total of \$3,619,107.39. Defendant shall satisfy this  
8 obligation by paying \$3,619,107.3 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

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

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

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

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

3 **VIII.**

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
5 Telford shall pay a civil penalty in the amount of \$1,644,766.00 to the Securities and  
6 Exchange Commission, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §  
7 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant  
8 shall make this payment within 14 days after entry of this Final Judgment.

9 Defendant may transmit payment electronically to the Commission, 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

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16 Accounts Receivable Branch  
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18 and shall be accompanied by a letter identifying the case title, civil action number,  
19 and name of this Court; Kenneth Telford as a defendant in this action; and specifying  
20 that payment is made pursuant to this Final Judgment.

21 Defendant shall simultaneously transmit photocopies of evidence of payment  
22 and case identifying information to the Commission's counsel in this action. By  
23 making this payment, Defendant relinquishes all legal and equitable right, title, and  
24 interest in such funds and no part of the funds shall be returned to Defendant. The  
25 Commission shall send the funds paid pursuant to this Final Judgment to the United  
26 States Treasury. Defendant shall pay post-judgment interest on any delinquent  
27 amounts pursuant to 28 USC § 1961.

28 **IX.**

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for  
2 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,  
3 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,  
4 and further, any debt for disgorgement, prejudgment interest, civil penalty or other  
5 amounts due by Defendant under this Final Judgment or any other judgment, order,  
6 consent order, decree or settlement agreement entered in connection with this  
7 proceeding, is a debt for the violation Defendant Telford of the federal securities laws  
8 or any regulation or order issued under such laws, as set forth in Section 523(a)(19)  
9 of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

10 X.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court  
12 shall retain jurisdiction of this matter for purposes of enforcing the terms of this  
13 Judgment.

14 XI.

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

18  
19  
20 Dated: 11/19/18



HONORABLE STEPHEN V. WILSON  
UNITED STATES DISTRICT JUDGE