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JS-6

9 **UNITED STATES DISTRICT COURT**  
10 **CENTRAL DISTRICT OF CALIFORNIA**  
11 **Western Division**

12  
13 SECURITIES AND EXCHANGE  
14 COMMISSION,

15 Plaintiff,

16 vs.

17 DANIEL ADAMS, MICHAEL A.  
18 FLANDERS, SPIDERWORX MEDIA  
19 LLC, and AN L.A. MINUTE LLC,

20 Defendants.  
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Case No. 2:19-cv-01412-FMO-RAO

**FINAL JUDGMENT AS TO  
DEFENDANT MICHAEL A.  
FLANDERS**

1 The Securities and Exchange Commission (the “Commission”) having filed a  
2 Complaint and Defendant Michael A. Flanders (“Defendant”) having entered a  
3 general appearance; consented to the Court’s jurisdiction over Defendant and the  
4 subject matter of this action; consented to entry of this Final Judgment without  
5 admitting or denying the allegations of the Complaint (except as to jurisdiction and  
6 except as otherwise provided herein in paragraph VI); waived findings of fact and  
7 conclusions of law; and waived any right to appeal from this 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 of 1934 (the “Exchange Act”) [15 U.S.C. §  
12 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using  
13 any means or instrumentality of interstate commerce, or of the mails, or of any  
14 facility of any national securities exchange, in connection with the purchase or sale of  
15 any security:

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

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 Final Judgment by personal  
25 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and  
26 attorneys; and (b) other persons in active concert or participation with Defendant or  
27 with anyone described in (a).  
28

## II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED 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, ADJUDGED, AND DECREED 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).

## III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$28,500, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$4,354.20, and a civil penalty in the amount of \$28,500 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$61,354.20 to the Securities and Exchange Commission within 365 days after entry of this Final Judgment.

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

7 Enterprise Services Center  
8 Accounts Receivable Branch  
9 6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

10  
11 and shall be accompanied by a letter identifying the case title, civil action number,  
12 and name of this Court; Michael A. Flanders as a defendant in this action; and  
13 specifying that payment is made pursuant to this Final Judgment.

14 Defendant shall simultaneously transmit photocopies of evidence of payment  
15 and case identifying information to the Commission's counsel in this action. By  
16 making this payment, Defendant relinquishes all legal and equitable right, title, and  
17 interest in such funds and no part of the funds shall be returned to Defendant.

18 The Commission shall hold the funds (collectively, the "Fund") and may  
19 propose a plan to distribute the Fund subject to the Court's approval. The Court shall  
20 retain jurisdiction over the administration of any distribution of the Fund. If the  
21 Commission staff determines that the Fund will not be distributed, the Commission  
22 shall send the funds paid pursuant to this Final Judgment to the United States  
23 Treasury.

24 The Commission may enforce the Court's judgment for disgorgement,  
25 prejudgment interest, and civil penalties by moving for civil contempt (and/or  
26 through other collection procedures authorized by law) at any time after 365 days  
27 following entry of this Final Judgment. Defendant shall pay post judgment interest  
28 on any delinquent amounts pursuant to 28 U.S.C. § 1961.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent 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.

V.

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

VI.

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

Dated: May 29, 2020

/s/  
FERNANDO M. OLGUIN  
UNITED STATES DISTRICT JUDGE