

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

**SECURITIES AND EXCHANGE  
COMMISSION,**

**Case No. 14-5754 JFW (AGR<sub>x</sub>)**

**Plaintiff,**

**vs.**

**DEMOSTHENES DRITSAS,**

**Defendant.**

**JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF  
AS TO DEFENDANT DEMOSTHENES DRITSAS**

The Securities and Exchange Commission having filed a Complaint, and Defendant Demosthenes Dritsas having entered a general appearance; consented to the Court’s jurisdiction over him and the subject matter of this action; consented to entry of this Judgment waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

**I.**

**SECTION 10(B) AND RULE 10B-5 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**IT ORDERED AND ADJUDGED** that Dritsas and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are

1 permanently restrained and enjoined from violating, directly or indirectly, Section  
2 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §  
3 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using  
4 any means or instrumentality of interstate commerce, or of the mails, or of any  
5 facility of any national securities exchange, in connection with the purchase or sale  
6 of any security:  
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- 9 (a) to employ any device, scheme, or artifice to defraud;
  - 10 (b) to make any untrue statement of a material fact or to omit to state a  
11 material fact necessary in order to make the statements made, in the  
12 light of the circumstances under which they were made, not misleading;  
13 or  
14
  - 15 (c) to engage in any act, practice, or course of business which operates or  
16 would operate as a fraud or deceit upon any person.  
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18 **II.**

19 **SECTION 17(a) OF THE SECURITIES ACT OF 1933**

20 **IT IS FURTHER ORDERED AND ADJUDGED** that Dritsas and his  
21 agents, servants, employees, attorneys, and all persons in active concert or  
22 participation with them who receive actual notice of this Judgment by personal  
23 service or otherwise are permanently restrained and enjoined from violating Section  
24 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the  
25 offer or sale of any security by the use of any means or instruments of transportation  
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1 or communication in interstate commerce or by use of the mails, directly or  
2 indirectly:

- 3 (a) to employ any device, scheme, or artifice to defraud;  
4  
5 (b) to obtain money or property by means of any untrue statement of a  
6 material fact or any omission of a material fact necessary in order to  
7 make the statements made, in light of the circumstances under which  
8 they were made, not misleading; or  
9  
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.  
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13 **III.**

14 **SECTION 15(a) OF THE EXCHANGE ACT**

15 **IT IS FURTHER ORDERED AND ADJUDGED** that Dritsas and his  
16 agents, servants, employees, attorneys, and those persons in active concert or  
17 participation with them, and each of them, are hereby restrained and enjoined from  
18 violating, directly or indirectly, Section 15(a) of the Exchange Act [15 U.S.C. §  
19 78o], by making use of the mails or any means or instrumentality of interstate  
20 commerce to effect any transactions in, or to induce or attempt to induce the  
21 purchase or sale of, any security (other than an exempted security or commercial  
22 paper, bankers' acceptances, or commercial bills) unless such broker or dealer is  
23 registered with the Commission.  
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3 **IV.**

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5 **SECTIONS 5(a) AND 5(c) OF THE SECURITIES ACT**

6 **IT IS FURTHER ORDERED AND ADJUDGED** that Dritsas and his  
7 agents, servants, employees, attorneys, and all persons in active concert or  
8 participation with them who receive actual notice of this Judgment by personal  
9 service or otherwise are permanently restrained and enjoined from violating Section  
10 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of  
11 any applicable exemption:  
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- 14 (a) Unless a registration statement is in effect as to a security, making use  
15 of any means or instruments of transportation or communication in  
16 interstate commerce or of the mails to sell such security through the use  
17 or medium of any prospectus or otherwise;  
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19 (b) Unless a registration statement is in effect as to a security, carrying or  
20 causing to be carried through the mails or in interstate commerce, by  
21 any means or instruments of transportation, any such security for the  
22 purpose of sale or for delivery after sale; or  
23  
24 (c) Making use of any means or instruments of transportation or  
25 communication in interstate commerce or of the mails to offer to sell or  
26 offer to buy through the use or medium of any prospectus or otherwise  
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1 any security, unless a registration statement has been filed with the  
2 Commission as to such security, or while the registration statement is  
3 the subject of a refusal order or stop order or (prior to the effective date  
4 of the registration statement) any public proceeding or examination  
5 under Section 8 of the Securities Act [15 U.S.C. § 77h].  
6

7 **V.**

8 **PENNY STOCK BAR**

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

19 **PAYMENT OF DISGORGEMENT, PREJUDGMENT INTEREST**  
20 **AND A CIVIL PENALTY**

21 **IT IS FURTHER ORDERED AND ADJUDGED** that Dritsas shall pay  
22 disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty  
23 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section  
24 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Court shall determine  
25 the amounts of the disgorgement and civil penalty upon motion of the Commission.  
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1 Prejudgment interest shall be calculated from November 30, 2012, based on the rate  
2 of interest used by the Internal Revenue Service for the underpayment of federal  
3 income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the  
4 Commission's motion for disgorgement and/or civil penalties, and at any hearing  
5 held on such a motion: (a) Dritsas will be precluded from arguing that he did not  
6 violate the federal securities laws as alleged in the Complaint; (b) Dritsas may not  
7 challenge the validity of the Consent or this Judgment; (c) solely for the purposes of  
8 such motion, the allegations of the Complaint shall be accepted as and deemed true  
9 by the Court; and (d) the Court may determine the issues raised in the motion on the  
10 basis of affidavits, declarations, excerpts of sworn deposition or investigative  
11 testimony, and documentary evidence, without regard to the standards for summary  
12 judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In  
13 connection with the Commission's motion for disgorgement and/or civil penalties,  
14 the parties may take discovery, including discovery from appropriate non-parties.  
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20 **VII.**

21 **RETENTION OF JURISDICTION**

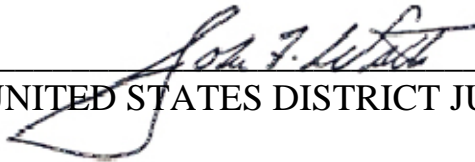
22 **IT IS FURTHER ORDERED AND ADJUDGED** that this Court shall retain  
23 jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.  
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VIII.

**RULE 54(b) CERTIFICATION**

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

**DONE AND ORDERED** this 25<sup>th</sup> day of July, 2014.

  
UNITED STATES DISTRICT JUDGE

Copies:  
All Counsel of Record

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