

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

GEORGE N. DEMOS,

Defendant.

Case No. 3:25-cv-00539-RSH-JLB

**JUDGMENT AS TO GEORGE N.
DEMOS**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant George N. Demos (“Defendant”) having entered a general appearance;
3 consented to the Court’s jurisdiction over Defendant and the subject matter of this
4 action; consented to entry of this Judgment; waived findings of fact and conclusions of
5 law; and waived any right to appeal from this Judgment:

6 I.

7 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
8 permanently restrained and enjoined from violating, directly or indirectly, Section
9 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C.
10 § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
11 any means or instrumentality of interstate commerce, or of the mails, or of any facility
12 of any national securities exchange, in connection with the purchase or sale of any
13 security:

14 (a) to employ any device, scheme, or artifice to defraud;
15 (b) to make any untrue statement of a material fact or to omit to state a
16 material fact necessary in order to make the statements made, in the light
17 of the circumstances under which they were made, not misleading; or
18 (c) to engage in any act, practice, or course of business which operates or
19 would operate as a fraud or deceit upon any person
20 by: (i) buying or selling a security of any issuer, on the basis of material nonpublic
21 information, in breach of a fiduciary duty or other duty of trust or confidence that is
22 owed directly, indirectly, or derivatively, to the issuer of that security or the
23 shareholders of that issuer, or to any other person who is the source of the information;
24 or (ii) by communicating material nonpublic information about a security or issuer, in
25 breach of a fiduciary duty or other duty of trust or confidence, to another person or
26 persons for purposes of buying or selling any security.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided
28 in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the

1 following who receive actual notice of this Judgment by personal service or otherwise:
2 (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other
3 persons in active concert or participation with Defendant or with anyone described in
4 (a).

5 II.

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
7 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
8 Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale
9 of any security by the use of any means or instruments of transportation or
10 communication in interstate commerce or by use of the mails, directly or indirectly:

11 (a) to employ any device, scheme, or artifice to defraud;

12 (b) to obtain money or property by means of any untrue statement of a material
13 fact or any omission of a material fact necessary in order to make the statements
14 made, in light of the circumstances under which they were made, not misleading;
15 or

16 (c) to engage in any transaction, practice, or course of business which operates
17 or would operate as a fraud or deceit upon the purchaser.

18 by: (i) selling a security of any issuer, on the basis of material nonpublic information,
19 in breach of a fiduciary duty or other duty of trust or confidence that is owed directly,
20 indirectly, or derivatively, to the issuer of that security or the shareholders of that issuer,
21 or to any other person who is the source of the information; or (ii) by communicating
22 material nonpublic information about a security or issuer, in breach of a fiduciary duty
23 or other duty of trust or confidence, to another person or persons for purposes of selling
24 any security.

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

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

3 III.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to
5 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the
6 Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited, for five years following the
7 date of entry of this Judgment, from acting as an officer or director of any issuer that
8 has a class of securities registered pursuant to Section 12 of the Exchange Act [15
9 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the
10 Exchange Act [15 U.S.C. § 78o(d)].

11 IV.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
13 Defendant shall pay disgorgement of ill-gotten gains; that the amounts of the
14 disgorgement shall be determined by the Court upon motion of the Commission; and
15 that prejudgment interest shall be calculated from March 8, 2021, based on the rate of
16 interest used by the Internal Revenue Service for the underpayment of federal income
17 tax as set forth in 26 U.S.C. § 6621(a)(2). Defendant further agrees that, upon motion
18 of the Commission, the Court shall determine whether a civil penalty pursuant to
19 Section 21A of the Exchange Act [15 U.S.C. § 78u-1] is appropriate and, if so, the
20 amount of the penalty. In connection with the Commission's motion for disgorgement
21 and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will be
22 precluded from arguing that he did not violate the federal securities laws as alleged in
23 the Complaint; (b) Defendant may not challenge the validity of the Consent or this
24 Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint
25 shall be accepted as and deemed true by the Court; and (d) the Court may determine
26 the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn
27 deposition or investigative testimony, and documentary evidence, without regard to the
28 standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil

1 Procedure. In connection with the Commission's motion for disgorgement and/or civil
2 penalties, the parties may take discovery, including discovery from appropriate non-
3 parties.

4 V.

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

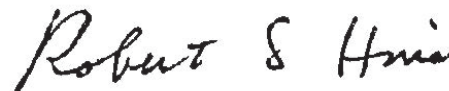
9 VI.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for purposes
11 of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C.
12 § 523, the allegations in the complaint are true and admitted by Defendant, and further,
13 any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by
14 Defendant under this Judgment or any other judgment, order, consent order, decree or
15 settlement agreement entered in connection with this proceeding, is a debt for the
16 violation by Defendant of the federal securities laws or any regulation or order issued
17 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
18 § 523(a)(19).

19 VII.

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

23 Dated: March 10, 2025
24



25 HON. ROBERT S. HUIE
26 UNITED STATES DISTRICT JUDGE
27
28