

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10344 / April 10, 2017

SECURITIES EXCHANGE ACT OF 1934
Release No. 80414 / April 10, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-17918

In the Matter of

CIARAN THORNTON,

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 8A OF THE SECURITIES ACT
OF 1933 AND SECTION 21C OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING A
CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Ciaran Thornton (“Thornton” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹:

SUMMARY

Between April 2013 and February 2014, Ciaran Thornton violated the anti-fraud and anti-touting provisions of the federal securities laws by publishing various communications describing issuer securities on investment websites that purported to be independent when, in fact, they were paid promotions.

RESPONDENT

1. **Ciaran Thornton**, 44, resides in El Cajon, California. Thornton graduated from San Diego State University with a degree in Business Administration and Accounting. He is the owner and editor of an investment newsletter.

RELATED PARTY

2. **Lidingo Holdings, LLC** was a Nevada limited liability company that was formed in 2011 and dissolved in 2014. Lidingo, which was owned and operated by Kamilla Bjorlin, provided promotional services to issuers that included the publication of over 400 articles describing securities on investment websites. The Commission has charged Lidingo and Bjorlin for their roles in the misconduct described in this Order and for other misconduct unrelated to Thornton.

FACTS

3. Between April 2013 and February 2014, Thornton published 15 articles and one blog entry on investment websites SeekingAlpha.com, Benzinga.com and SmallCapNetwork.com, using the pseudonyms Stock Investor, Itradethebios, and BuySellShort. Thornton's publications positively described the securities of the following six issuers that were clients of Lidingo, or another stock promotion firm affiliated with Lidingo: Arch Therapeutics, Inc., Assured Pharmacy, Inc., Galena Biopharma, Inc., NeoStem, Inc. (now Caladrius Biosciences, Inc.), OncoSec Medical Incorporated, and Stevia First Corporation (now Vitality Biopharma, Inc.). Lidingo paid Thornton \$600 for each publication, for a total of \$9,600.

4. Thornton did not disclose that these articles were paid-for promotions or the amount of the compensation he received. Moreover, in nine articles, Thornton misrepresented that he was "not receiving compensation" for the article.² These nine articles were published on

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

² On June 22, 2012, Seeking Alpha announced that it would "no longer publish articles that a writer has been paid for preparing." Starting in August 2012, Seeking Alpha required writers to affirmatively disclose whether they

Seeking Alpha's website. Thornton falsely stated that he was not receiving compensation because, at the time, Seeking Alpha had a policy that expressly prohibited compensated articles. Thornton's misstatements regarding his compensation were material.

5. Thornton's articles included positive descriptions of publicly-traded stocks. Seeking Alpha held itself out as a "platform for investment research, with broad coverage of stocks, asset classes, ETFs and investment strategy" where "articles frequently move stocks, due to a large and influential readership which includes money managers, business leaders, journalists and bloggers."

VIOLATIONS

6. As a result of the conduct described above, Thornton violated Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder, which prohibit fraudulent conduct in the offer or sale of securities and in connection with the purchase or sale of securities.

7. As a result of the conduct described above, Thornton violated Securities Act Section 17(b), which prohibits any person from publishing, giving publicity to, or circulating any communication that describes a security in exchange for direct or indirect consideration from an issuer, underwriter, or dealer without fully disclosing the past or prospective consideration and the amount.

UNDERTAKING

Respondent has undertaken to:

In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, (i) appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) accept service by mail, email, or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoint his attorney in these proceedings as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waive the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Respondent's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consent to personal jurisdiction over Respondent in any United States District Court for purposes of enforcing any such subpoena.

received third-party compensation. If the writer represented that they were not compensated, then Seeking Alpha added the representation quoted above to the article on its website.

In determining whether to accept the Offer, the Commission has considered this undertaking.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Thornton's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent Thornton cease and desist from committing or causing any violations and any future violations of Sections 17(a) and 17(b) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent shall, within 14 days of the entry of this Order, pay disgorgement of \$9,600, prejudgment interest of \$858.65, and a civil monetary penalty in the amount of \$20,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and if timely payment of the civil monetary penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Ciaran Thornton as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Associate Director Melissa Hodgman, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE,

Washington, DC 20549.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent 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).

By the Commission.

Brent J. Fields
Secretary