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JS-6

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

13 SECURITIES AND EXCHANGE
 14 COMMISSION,

15 Plaintiff,

16 vs.

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

19 Defendants.

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

20 **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

1 II.

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

- 7 (a) to employ any device, scheme, or artifice to defraud;
8 (b) to obtain money or property by means of any untrue statement of a
9 material fact or any omission of a material fact necessary in order to
10 make the statements made, in light of the circumstances under which
11 they were made, not misleading; or
12 (c) to engage in any transaction, practice, or course of business which
13 operates or would operate as a fraud or deceit upon the purchaser.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
15 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
16 binds the following who receive actual notice of this Final Judgment by personal
17 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
18 attorneys; and (b) other persons in active concert or participation with Defendant or
19 with anyone described in (a).

20 III.

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
22 Defendant is liable for disgorgement of \$28,500, representing profits gained as a
23 result of the conduct alleged in the Complaint, together with prejudgment interest
24 thereon in the amount of \$4,354.20, and a civil penalty in the amount of \$28,500
25 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section
26 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this
27 obligation by paying \$61,354.20 to the Securities and Exchange Commission within
28 365 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
10 Oklahoma City, OK 73169

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.

1 IV.

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

6 V.

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

16 VI.

17
18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
19 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
20 Final Judgment.

21
22 Dated: May 29, 2020

23
24 _____
25 /s/
26 FERNANDO M. OLGUIN
27 UNITED STATES DISTRICT JUDGE
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