

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Case No.:
2:19-cv-09358-SVW-SK

Plaintiff,

vs.

**RICHARD JOHNATHAN EDEN,
an individual; and
CHRISTOPHER MICHAEL
NEUMANN, an individual,**

Defendants.

**[PROPOSED] FINAL JUDGMENT AS TO DEFENDANT
RICHARD JOHNATHAN EDEN**

The Securities and Exchange Commission having filed a Complaint and Defendant Richard Johnathan Eden having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b–5 promulgated thereunder [17 C.F.R. § 240.10b–5], by using

1 any means or instrumentality of interstate commerce, or of the mails, or of any
2 facility of any national securities exchange, in connection with the purchase or sale
3 of any security:

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

5 (b) to make any untrue statement of a material fact or to omit to state a
6 material fact necessary in order to make the statements made, in the light of
7 the circumstances under which they were made, not misleading; or

8 (c) to engage in any act, practice, or course of business which operates or
9 would operate as a fraud or deceit upon any person.

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

16 **II.**

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

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

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

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

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

8 **III.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
10 is permanently restrained and enjoined from violating, directly or indirectly, Section
11 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] by using any means or
12 instrumentality of interstate commerce, or of the mails, or of any facility of any
13 national securities exchange, to effect transactions in, or induce or attempt to induce
14 the purchase or sale of, securities while not registered with the Commission as a
15 broker or dealer or while not associated with an entity registered with the
16 Commission as a broker or dealer.

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

23 **IV.**

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
25 is permanently restrained and enjoined from violating Section 5 of the Securities
26 Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable
27 exemption:

- 1 (a) unless a registration statement is in effect as to a security,
2 making use of any means or instruments of transportation or
3 communication in interstate commerce or of the mails to sell
4 such security through the use or medium of any prospectus or
5 otherwise;
- 6 (b) unless a registration statement is in effect as to a security,
7 carrying or causing to be carried through the mails or in
8 interstate commerce, by any means or instruments of
9 transportation, any such security for the purpose of sale or for
10 delivery after sale, or;
- 11 (c) making use of any means or instruments of transportation or
12 communication in interstate commerce or of the mails to offer
13 to sell or offer to buy through the use or medium of any
14 prospectus or otherwise any security, unless a registration
15 statement has been filed with the Commission as to such
16 security, or while the registration statement is the subject of a
17 refusal order or stop order or (prior to the effective date of the
18 registration statement) any public proceeding or examination
19 under Section 8 of the Securities Act [15 U.S.C. § 77h].

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

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2 V.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
4 Defendant is liable for disgorgement of \$777,271.57, representing profits gained
5 as a result of the conduct alleged in the Complaint, together with prejudgment
6 interest thereon in the amount of \$55,146.68 and a civil penalty in the amount of
7 \$125,000.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]
8 and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant
9 shall satisfy this obligation by paying the amounts set forth above to the Securities
10 and Exchange Commission within 30 days after entry of this Final Judgment.

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

17 Enterprise Services Center
18 Accounts Receivable Branch
19 6500 South MacArthur Boulevard
20 Oklahoma City, OK 73169

21 and shall be accompanied by a letter identifying the case title, civil action number,
22 and name of this Court; Richard Johnathan Eden as a defendant in this action; and
23 specifying that payment is made pursuant to this Final Judgment.

24 Defendant shall simultaneously transmit photocopies of evidence of
25 payment and case identifying information to the Commission's counsel in this
26 action. By making this payment, Defendant relinquishes all legal and equitable
27 right, title, and interest in such funds and no part of the funds shall be returned to
28 Defendant. The Commission shall send the funds paid pursuant to this Final

1 Judgment to the United States Treasury.

2 The Commission may enforce the Court's judgment for disgorgement and
3 prejudgment interest by moving for civil contempt (and/or through other collection
4 procedures authorized by law) at any time after 30 days following entry of this
5 Final Judgment. Defendant shall pay post judgment interest on any delinquent
6 amounts pursuant to 28 U.S.C. § 1961.

7 **VI.**

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

17 **VII.**

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

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23 Dated: December 12, 2019, _____

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27 UNITED STATES DISTRICT JUDGE