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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

OWNZONES MEDIA NETWORK,
INC., DANIEL GOMAN and JOSEPH
GOMAN,

Defendants.

Case No. 2:20-cv-03108-MCS-JPR

**FINAL JUDGMENT AS TO
OWNZONES MEDIA NETWORK,
INC.**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant OWNZONES Media Network, Inc. (“Defendant”) having entered a general
3 appearance; consented to the Court’s jurisdiction over Defendant and the subject
4 matter of this action; consented to entry of this Final Judgment without admitting or
5 denying the allegations of the Complaint (except as to jurisdiction); waived findings
6 of fact and conclusions of law; and waived any right to appeal from this Final
7 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 any
13 means or instrumentality of interstate commerce, or of the mails, or of any facility of
14 any national securities exchange, in connection with the purchase or sale of any
15 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 of the
19 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 provided
23 in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the
24 following who receive actual notice of this Final Judgment by personal service or
25 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and
26 (b) other persons in active concert or participation with Defendant or with anyone
27 described in (a).
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2 II.

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

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

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

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

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

21 III.

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

26 (a) Unless a registration statement is in effect as to a security, making use of
27 any means or instruments of transportation or communication in
28 interstate commerce or of the mails to sell such security through the use

1 or medium of any prospectus or otherwise;

2 (b) Unless a registration statement is in effect as to a security, carrying or
3 causing to be carried through the mails or in interstate commerce, by any
4 means or instruments of transportation, any such security for the purpose
5 of sale or for delivery after sale; or

6 (c) Making use of any means or instruments of transportation or
7 communication in interstate commerce or of the mails to offer to sell or
8 offer to buy through the use or medium of any prospectus or otherwise
9 any security, unless a registration statement has been filed with the
10 Commission as to such security, or while the registration statement is the
11 subject of a refusal order or stop order or (prior to the effective date of
12 the registration statement) any public proceeding or examination under
13 Section 8 of the Securities Act [15 U.S.C. § 77h].

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

20 IV.

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
22 Defendant is liable for disgorgement of \$1,500,000, representing profits gained as a
23 result of the conduct alleged in the Complaint, together with prejudgment interest
24 thereon in the amount of \$339,010.99, and a civil penalty in the amount of \$175,000
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 \$2,014,010.99 to the Securities and Exchange Commission
28 within 30 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
Oklahoma City, OK 73169

10 and shall be accompanied by a letter identifying the case title, civil action number, and
11 name of this Court; OWNZONES Media Network, Inc. as a defendant in this action;
12 and specifying that payment is made pursuant to this Final Judgment.

13 Defendant shall simultaneously transmit photocopies of evidence of payment
14 and case identifying information to the Commission's counsel in this action. By
15 making this payment, Defendant relinquishes all legal and equitable right, title, and
16 interest in such funds and no part of the funds shall be returned to Defendant.

17 The Commission may enforce the Court's judgment for disgorgement and
18 prejudgment interest by using all collection procedures authorized by law, including,
19 but not limited to, moving for civil contempt at any time after 30 days following entry
20 of this Final Judgment.

21 The Commission may enforce the Court's judgment for penalties by the use of
22 all collection procedures authorized by law, including the Federal Debt Collection
23 Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the
24 violation of any Court orders issued in this action. Defendant shall pay post
25 judgment interest on any amounts due after 30 days of the entry of this Final
26 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
27 together with any interest and income earned thereon (collectively, the "Fund"),
28 pending further order of the Court.

1 The Commission may propose a plan to distribute the Fund subject to the
2 Court's approval. Such a plan may provide that the Fund shall be distributed pursuant
3 to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The
4 Court shall retain jurisdiction over the administration of any distribution of the Fund
5 and the Fund may only be disbursed pursuant to an Order of the Court.

6 Regardless of whether any such Fair Fund distribution is made, amounts
7 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
8 penalties paid to the government for all purposes, including all tax purposes. To
9 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
10 reduction of any award of compensatory damages in any Related Investor Action
11 based on Defendant's payment of disgorgement in this action, argue that it is entitled
12 to, nor shall it further benefit by, offset or reduction of such compensatory damages
13 award by the amount of any part of Defendant's payment of a civil penalty in this
14 action ("Penalty Offset"). If the court in any Related Investor Action grants such a
15 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the
16 Penalty Offset, notify the Commission's counsel in this action and pay the amount of
17 the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission
18 directs. Such a payment shall not be deemed an additional civil penalty and shall not
19 be deemed to change the amount of the civil penalty imposed in this Judgment. For
20 purposes of this paragraph, a "Related Investor Action" means a private damages
21 action brought against Defendant by or on behalf of one or more investors based on
22 substantially the same facts as alleged in the Complaint in this action.

23 V.

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

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VI.

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

VII.

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 Final Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: January 13, 2021



MARK C. SCARSI
UNITED STATES DISTRICT JUDGE