

**IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA**

SECURITIES AND EXCHANGE	)	
COMMISSION,	)	
	)	
Plaintiff,	)	
v.	)	
	)	1:15CV1068
CAUSWAVE, INC., JEFFREY L.	)	
RIGGS, and DIANE R. BALDWIN,	)	
	)	
Defendants.	)	

**ORDER**

On November 13, 2017, the United States Magistrate Judge issued an Order and Recommendation (“Recommendation”) in which she recommended that Plaintiff Securities and Exchange Commission’s (“SEC”) Motion for Discovery Sanctions [Doc. #47] be granted, that the portion of the Answer that constitutes Defendant Jeffrey L. Riggs’ Answer be deemed stricken, and that default judgment be entered against Riggs as a sanction under Federal Rules of Civil Procedure 37(b)(2) and 37(d)(1) for his willful failure to respond to interrogatories, refusal to participate in discovery, and refusal to comply with the Court’s discovery Order. [Doc. #56.]

The Recommendation was mailed to Riggs who filed a document entitled, “Defendant Jeffrey L. Riggs Affidavit in Opposition to ‘Order & Recommendation of Magistrate Judge[’] as an Act Done Ultra Vires in Violation of Settled Law Cited Herein”, [Doc. #60], which is construed as his objections to the Recommendation. As he has done in previous filings, Riggs challenges the Magistrate Judge’s

authority to issue her Recommendation because Riggs has not consented to her doing so. As this Court previously explained, see Order (July 6, 2017) [Doc. #52], “[d]etermining discovery matters . . . are actions well within the Magistrate Judge’s jurisdiction under 28 U.S.C. § 636(b)(1)(A) and Local Rule 72.1(a)(1).” The recommended actions here – striking the portion of the Answer that is Riggs’ Answer and the entry of default judgment against Riggs – all stem from Riggs’ conduct during discovery and in response to the Court’s discovery order and are found in Rule 37 of the Federal Rules of Civil Procedure, a rule governing sanctions for a party’s failure to obey a court’s discovery order. Riggs’ objection is overruled.

Riggs’ having made no other specific objection, the Magistrate Judge’s Recommendation is adopted with modification. In addition to moving to strike the portion of the Answer deemed to be Riggs’, the SEC moved for the Clerk to enter a default, rather than for entry of default judgment as was recommended. Therefore, it is determined that entry of a default, rather than default judgment, is appropriate.

IT IS HEREBY ORDERED that the Magistrate Judge’s Recommendation be adopted with modification and that Plaintiff Securities Exchange Commission’s Motion for Discovery Sanctions [Doc. #47] be GRANTED. IT IS FURTHER ORDERED that the portion of the Answer that constitutes Jeffrey L. Riggs’ Answer

be deemed stricken and that the Clerk enter a default against Riggs.

This the 7<sup>th</sup> day of March, 2018.

/s/ N. Carlton Tilley, Jr.  
Senior United States District Judge