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UNITED STATES DISTRICT COURT  
FOR THE  
DISTRICT OF VERMONT

Tim Saunders, )

Plaintiff, )

v. )

Case No. 5:09-cv-125

Sean David Morton, Joshua Weber, )

Daryl Weber, Melissa Morton, )

27 Investments LLC, Magic )

Eight Ball Distributing, Inc., )

Vajra Productions LLC, Delphi )

Associates Investment Group, and )

Fraser Valley Trading, )

Defendants. )

**OPINION AND ORDER ADOPTING MAGISTRATE JUDGE'S  
REPORT AND RECOMMENDATION**

The Report and Recommendation of the United States Magistrate Judge was filed on February 17, 2011. After careful review of the file and the Magistrate Judge's Report and Recommendation, no objections having been filed by any party, this court hereby ADOPTS the Magistrate Judge's recommendations in full for the reasons stated in the report.

A district judge must make a *de novo* determination of those portions of a magistrate judge's report and recommendation to which an objection is made. Fed. R. Civ. P. 72(b); 28 U.S.C. § 636(b)(1); *Perez-Rubio v. Wycoff*, 718 F. Supp. 217, 227 (S.D.N.Y. 1989). The district judge may "accept, reject, or modify, in whole or in part, the magistrate's proposed findings and recommendations." *Id.* When no timely objection is filed, the court need only satisfy itself that there is no clear error on the face


of the record in order to accept the recommendation. *See Campbell v. United States Dist. Court*, 501 F.2d 196, 206 (9th Cir. 1974), *cert denied*, 419 U.S. 879 (1974). Here, that standard is satisfied.

**ORDER**

1. The court hereby GRANTS IN PART and DENIES IN PART Defendant Weber's Motion to Dismiss for Failure to State a Claim (Doc. 67). Defendant Weber's Motion to Dismiss is GRANTED with regard to the following claims:
  - a. Alleged violations of Section 14(a) and 20(a) of the Securities Exchange Act of 1934;
  - b. Respondeat superior and vicarious liability.
  - c. The court DENIES all other aspects of the Motion to Dismiss for Failure to State a Claim. The court also DENIES the Motion to Dismiss for Lack of Subject Matter Jurisdiction and Improper Venue.
2. Defendant is hereby ORDERED to file an Answer within twenty (20) days of this Order.
3. The parties shall comply with the Federal Rules of Civil Procedure and Local Rule 26 and shall file initial disclosures and a stipulated discovery schedule within thirty (30) days of this Order.

SO ORDERED.

Dated at Burlington, in the District of Vermont, this 24<sup>th</sup> day of March, 2011.

  
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Christina Reiss, Chief Judge  
United States District Court