

NOTE: CHANGES MADE BY THE COURT

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

ROBERT DEWAYNE MILLIGAN,

Defendant.

Case No. 2:15-cv-07308-AB-AGR

**[PROPOSED] FINAL JUDGMENT
AS TO DEFENDANT ROBERT
DEWAYNE MILLIGAN**

The Court, having reviewed Plaintiff Securities and Exchange Commission’s Motion for Entry of Final Judgment Requiring Defendant Robert Dewayne Milligan to Pay Disgorgement, Prejudgment Interest, and Civil Penalties, and for good cause shown, hereby grants Plaintiff’s Motion and enters this Final Judgment against Defendant Milligan, which also incorporates the relief included in the Judgment against Defendant Milligan that was entered, by consent, on July 20, 2016 [Doc. No. 29].

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b)

1 of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and
2 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
3 instrumentality of interstate commerce, or of the mails, or of any facility of any national
4 securities exchange, in connection with the purchase or sale of any security:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to make any untrue statement of a material fact or to omit to state a
7 material fact necessary in order to make the statements made, in the light of
8 the circumstances under which they were made, not misleading; or
- 9 (c) to engage in any act, practice, or course of business which operates or
10 would operate as a fraud or deceit upon any person.

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

17 II.

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

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

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

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

9 III.

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

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

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

9 IV.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
11 liable for disgorgement of \$1,341,123 representing profits gained as a result of the
12 conduct alleged in the Complaint, together with prejudgment interest thereon in the
13 amount of \$108,986, and a civil penalty in the amount of **\$1,341,123** pursuant to
14 Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the
15 Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying
16 **\$2,791,232** to the Securities and Exchange Commission **within thirty (30) days** after
17 entry of this Final Judgment.

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

24 Enterprise Services Center
25 Accounts Receivable Branch
26 6500 South MacArthur Boulevard
27 Oklahoma City, OK 73169
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1 and shall be accompanied by a letter identifying the case title, civil action number, and
2 name of this Court; Robert DeWayne Milligan as a defendant in this action; and
3 specifying that payment is made pursuant to this Final Judgment.

4 Defendant shall simultaneously transmit photocopies of evidence of payment and
5 case identifying information to the Commission's counsel in this action. By making this
6 payment, Defendant relinquishes all legal and equitable right, title, and interest in such
7 funds and no part of the funds shall be returned to Defendant. The Commission shall
8 send the funds paid pursuant to this Final Judgment to the United States Treasury.

9 The Commission may enforce the Court's judgment for disgorgement and
10 prejudgment interest by moving for civil contempt (and/or through other collection
11 procedures authorized by law) at any time after 14 days following entry of this Final
12 Judgment. Defendant shall pay post judgment interest on any delinquent amounts
13 pursuant to 28 U.S.C. § 1961.

14 V.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent
16 (Doc. No. 28-1) is incorporated herein with the same force and effect as if fully set forth
17 herein, and that Defendant shall comply with all of the undertakings and agreements set
18 forth therein.

19 VI.

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

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VII.

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.

VIII.

This Final Judgment resolves all claims pending against Defendant. 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.

Dated: January 13, 2017



ANDRÉ BIROTTE JR.
UNITED STATES DISTRICT JUDGE