

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 15-81342-CV-MARRA

SECURITIES AND EXCHANGE COMMISSION,)
)
Plaintiff,)
)
v.)
)
SANCTUM PUBLISHING AND MARKETING,)
LIMITED, SANCTUM MEDIA GROUP, INC.,)
and SALVATORE RENALDI,)
)
Defendants,)
)
and)
)
THE SANCTUM GROUP OF COMPANIES, INC.,)
)
Relief Defendant.)
_____)

**DEFAULT JUDGMENT
AGAINST DEFENDANTS AND RELIEF DEFENDANT AND ENTERING
JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF**

THIS MATTER is before the Court on Plaintiff Securities and Exchange Commission’s Motion for Entry of a Default Judgment against Defendants Sanctum Publishing and Marketing, Limited (“SPM”), Sanctum Media Group, Inc. (“SMG”) and Salvatore Renaldi, and Relief Defendant The Sanctum Group of Companies, Inc. (“SGC”), (DE: 30), having considered the motion and the entire record, the Court enters the following order granting the Plaintiff’s motion, and imposing a Default Judgment against Defendants SPM, SMG, Renaldi and Relief Defendant SGC:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Court has personal jurisdiction over SPM, SMG, Renaldi and SGC and the subject matter of this action. Venue is proper in the Southern District of Florida.

2. SPM, SMG, Renaldi and SGC were properly served with a summons and a copy of the Complaint pursuant to Rule 4 of the Federal Rules of Civil Procedure, and thus, they have proper notice of this action.

3. As of the date of this Order, SPM, SMG, Renaldi and SGC have failed to answer or otherwise file a responsive pleading to the Complaint as required by the Federal Rules of Civil Procedure.

4. The Clerk of the Court entered a default against SPM, SMG, Renaldi and SGC on November 16, 2015. (DE: 26-29.) By virtue of the defaults and the failure to respond to the Complaint, SPM, SMG, Renaldi and SGC are deemed to have admitted the allegations of the Complaint, and the Commission has established liability against them. *Buchanan v. Bowman*, 820 F.2d 359, 361 (11th Cir. 1987). Thus, the Court finds SPM, SMG, and Renaldi committed the violations alleged in the Complaint, and that SGC is liable for disgorgement. Accordingly, it is:

ORDERED AND ADJUDGED that Plaintiff's Motion for Entry of a Default Judgment against SPM, SMG, Renaldi and SGC is **GRANTED**. Default Judgment is entered against SPM, SMG, Renaldi and SGC as follows:

I.

SECTION 17(a) OF THE SECURITIES ACT OF 1933

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

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:
 - (A) any investment in or offering of securities;
 - (B) the prospects for success of any product or company;
 - (C) the use of investor funds;
 - (D) Defendant’s qualifications to advise investors; or
 - (E) the misappropriation of investor funds or investment proceeds.

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

II.

**SECTION 10(b) AND RULE 10b-5
OF THE SECURITIES EXCHANGE ACT OF 1934**

IT IS FURTHER ORDERED AND ADJUDGED that SPM, SMG, and Renaldi are 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 any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (A) any investment in or offering of securities;
- (B) the prospects for success of any product or company;
- (C) the use of investor funds;
- (D) Defendant's qualifications to advise investors; or
- (E) the misappropriation of investor funds or investment proceeds.

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

III.

SECTION 15(a) OF THE SECURITIES EXCHANGE ACT OF 1934

IT IS FURTHER ORDERED AND ADJUDGED that Renaldi is permanently restrained and enjoined from violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a), by using any means or instrumentality of interstate commerce, the mails, or any facility of any national securities exchange, to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security unless Renaldi is registered with the Commission as a broker or dealer or is associated with a broker or dealer that is registered with the Commission in accordance with Section 15(b) of the Exchange Act.

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

Renaldi or with anyone described in (a).

V.

DISGORGEMENT AND CIVIL PENALTY

IT IS FURTHER ORDERED AND ADJUDGED that Defendants SPM, SMG, and Renaldi and Relief Defendant SGC shall pay disgorgement of ill-gotten gains, and prejudgment interest thereon, and Defendants SPM, SMG, and Renaldi shall pay a civil penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). The Court shall determine the amounts of the disgorgement and civil penalty upon motion of the Commission. Prejudgment interest shall be calculated from January 1, 2012 to the date of entry of the order of disgorgement against SPM, SMG, Renaldi and SGC, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). The Commission shall file a motion seeking specific disgorgement, prejudgment interest, and civil penalty amounts within 90 days of the entry of this Order.

VI.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED AND ADJUDGED that this Court shall retain jurisdiction over this matter and SPM, SMG, Renaldi and SGC for the purpose of ordering disgorgement and in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under

the circumstances.

DONE AND ORDERED in Chambers at West Palm Beach, Florida, this 5th day of
January, 2016.



KENNETH A. MARRA
United States District Judge