

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**PAUL GILMAN; OIL MIGRATION
GROUP, LLC; WAVETECH29, LLC;
and GILMANSOUND, LLC,**

Defendants.

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Civil Action No. **3:18-CV-1421-L**

FINAL JUDGMENT

The court issues this Final Judgment against Defendants Paul Gilman (“Gilman”), Oil Migration Group, LLC (“OMG”), Wavetech29, LLC (“WaveTech”), and GilmanSound, LLC (“GilmanSound”) (collectively, “Defendants”) pursuant to its orders of September 9, 2021, and March 4, 2020; the agreed Judgments as to Defendants’ liability and imposition of an injunction (“Consent Judgments”) (Docs. 38-41); and the corresponding Consents of each Defendant (Docs. 36-1 through 36-4).

It is, therefore, **ordered, adjudged, and decreed** that:

1. Defendant Gilman is liable for and shall disgorge to the Securities and Exchange Commission (“Commission”) **\$403,993.35**, representing net profits gained as a result of the conduct alleged in the Complaint, as amended, together with prejudgment interest thereon in the amount of **\$76,712.77**, and a civil penalty in the amount of **\$5,760,000** pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)]. Defendant Gilman shall satisfy this obligation by paying a total of **\$6,240,706.12** to the Commission within **90 days** after entry of this Final Judgment.

2. Defendant OMG is liable for and shall disgorge to the Commission **\$351,679.00**, representing net profits gained as a result of the conduct alleged in the Complaint, as amended, together with prejudgment interest thereon in the amount of **\$66,779.01**, and a civil penalty in the amount of **\$2,325,000** pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)]. Defendant OMG shall satisfy this obligation by paying a total of **\$2,743,458.01** to the Commission within **90 days** after entry of this Final Judgment.
3. Defendant WaveTech is liable for and shall disgorge to the Commission **\$402,491.50**, representing net profits gained as a result of the conduct alleged in the Complaint, as amended, together with prejudgment interest thereon in the amount of **\$76,427.63**, and a civil penalty in the amount of **\$5,425,000** pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)]. Defendant WaveTech shall satisfy this obligation by paying a total of **\$5,903,919.13** to the Commission within **90 days** after entry of this Final Judgment.
4. Defendant GilmanSound is liable for and shall disgorge to the Commission **\$1,333,130.32**, representing net profits gained as a result of the conduct alleged in the Complaint, as amended, together with prejudgment interest thereon in the amount of **\$253,143.12**, and a civil penalty in the amount of **\$13,950,000** pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)]. Defendant GilmanSound shall satisfy this obligation by paying **\$15,536,273.50** to the Commission within **90 days** after entry of this Final Judgment.

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

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

6. Payments mailed or delivered to the foregoing address **shall** be accompanied by a letter identifying the case title; civil action number; and name of this court; the Defendant's name as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.
7. Defendants **shall** simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendants.
8. The Commission may enforce the court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 90 days following entry of this Final Judgment.
9. The Commission may enforce the court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the violation of any court orders issued in this action. Defendants **shall** pay post judgment interest on any amounts due after 90 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission **shall** hold


the funds, together with any interest and income earned thereon (collectively, the “Fund”), pending further order of the court.

10. The Commission may propose a plan to distribute the Fund subject to the court’s approval. Such plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Fund may only be disbursed pursuant to an order of the court.
11. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Final Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, no Defendant in this action will—after offset or reduction of any award of compensatory damages in any Related Investor Action based on the Defendant’s payment of disgorgement in this action—be entitled to further benefit from offset or reduction of such compensatory damages award by the amount of any part of the Defendant’s payment of a civil penalty in this action (“Penalty Offset”). If the court in any Related Investor Action grants such a Penalty Offset, Defendant **shall**, within **30 days** after entry of a final order granting the Penalty Offset, **notify** the Commission’s counsel in this action and **pay** the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Final Judgment. For purposes of this paragraph, a “Related Investor Action” means a private damages action brought against any Defendant in this action by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

12. To avoid duplication, the court **incorporates by reference** the Consent Judgments and the Consents in their entirety, including but not limited to the permanent injunction provisions. Defendants' Consents and the Consent Judgments shall have the same force and effect as if fully set forth herein, and Defendants **shall** comply with all of the undertakings and agreements set forth therein.
13. Solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the allegations in the Complaint, as amended, are true and admitted by Defendant Gilman. Further, any debt for disgorgement, prejudgment interest, civil penalty, or other amounts due by Defendant Gilman under this Final Judgment or any other judgment, order, consent order, decree, or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant Gilman of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

It is further **ordered, adjudged, and decreed** that the court **shall** retain jurisdiction over this action for **two years** for the purposes of enforcing the terms of this Final Judgment, including the administration of any distribution of the Fund. If the Commission believes it is necessary for the court to retain jurisdiction for a longer period, it may seek to reopen this case sixty days before expiration of the two-year period (but not earlier) for purposes of filing a motion to extend the period of time that the court will retain jurisdiction.

Signed this 9th day of September, 2021.


Sam A. Lindsay
United States District Judge