



U.S. Securities and Exchange Commission

INFORMATION FOR CMKM DIAMONDS INVESTORS

CIVIL ACTION AGAINST CMKM DIAMONDS, INC., URBAN CASAVANT, et al.

► INTRODUCTORY NOTE

This alert provides information relating to the SEC's civil injunctive action against CMKM Diamonds, Urban Casavant et al. The complaint, filed in April 2008, seeks various remedies, including civil penalties and disgorgement of ill-gotten gains. In cases where the SEC obtains a judgment to recover money from the defendants, and the defendants do not comply with the judgment by paying the money, the SEC will seek to enforce the judgment.

It is not yet known how much money, if any, will be recovered in this case. If the assets ultimately collected are sufficient for a practical and economically feasible distribution of funds to investors, the SEC may by motion to the court propose a plan to distribute the funds. No funds can be distributed to investors unless and until the court approves a distribution plan. We will post information about any proposed or final distribution plan on this page when it becomes available. We also post information about distribution plans on the [Investor Claims Fund](#) section of our website.

The judgments entered in this case direct that disgorgement, prejudgment interest and civil penalty amounts be paid to the Clerk of the Court for the District of Nevada for deposit into an interest bearing account with the Court Registry Investment System. For information about any payments that may be made to the Clerk, please access the Court's [website](#).

► RECENT DEVELOPMENTS

On February 9, 2010, the federal district court in the District of Nevada entered a Final Judgment of Permanent Injunction and Other Relief Against Defendant Anthony Santos. The court ordered Santos to pay disgorgement and prejudgment interest of \$5,356.35 and a civil penalty of \$45,000. In addition, the court ordered that Santos be barred from participating in any offering of penny stock for five years from the date of the judgment.

- [Final Judgment of Permanent Injunction and Other Relief Against Defendant Anthony Santos](#) (February 9, 2010)

On February 25, 2010, the SEC instituted administrative proceedings against Santos and, based on the permanent injunction entered by the court, ordered that Santos be barred from association with any broker or dealer, with the right to reapply for association after five years to the appropriate self-regulatory organization, or if there is none, to the Commission.

- [Administrative Proceedings against Santos](#) (February 25, 2010)

On December 4, 2009, the federal district court in the District of Nevada granted the SEC's motions for default judgment against defendants NevWest Securities Corporation, Ginger Gutierrez, and James Kinney. The court ordered:

- NevWest to pay \$299,459.70 in disgorgement plus prejudgment interest and a civil penalty of \$275,000;
- Gutierrez individually to pay \$2,177,888.67 in disgorgement plus prejudgment interest and a \$2,000,000 civil penalty;
- Kinney individually to pay \$3,593,516.32 in disgorgement plus prejudgment interest and a \$3,300,000 civil penalty; and

- Gutierrez and Kinney jointly and severally to pay \$762,261.02 in disgorgement plus prejudgment interest.

The court ordered the defendants to pay these amounts to the Clerk of the Court for the District of Nevada within ten business days. Any amounts paid to the Clerk will be deposited into an interest-bearing account with the Court Registry Investment System.

- Order Granting Default Judgment Against Defendant Nev West Securities Corporation (December 4, 2009);
- Order Granting Default Judgment Against Defendants Ginger Gutierrez and James Kinney (December 4, 2009).

On September 17, 2009, the U.S. Attorney's Office in Las Vegas, Nevada unsealed a criminal indictment charging six defendants – John Edwards, Urban Casavant, Helen Bagley, Brian Dvorak, James Kinney, and Ginger Gutierrez – with securities fraud and related charges for their conduct in the CMKM Diamonds matter. For more information, please see the press release dated September 21, 2009. On April 28, 2010, the U.S. Attorney's Office in Las Vegas unsealed a superseding indictment that named additional defendants. For more information, please see the indictment.

► BACKGROUND

On April 7, 2008, the SEC filed a civil injunctive action against CMKM Diamonds, Inc., its former Chairman and CEO, Urban Casavant, and 12 other defendants involved in the alleged illegal issuance and sale of unregistered stock of CMKM Diamonds, Inc., purportedly a diamond and gold mining company located in Las Vegas, Nevada. The SEC charged all of the defendants with violating the registration provisions of the federal securities laws. In addition, the Commission charged CMKM and Casavant with violating the antifraud and various reporting, record keeping, and internal controls provisions.

- Litigation Release No. 20519: Securities and Exchange Commission v. CMKM Diamonds, Inc., et al, United States District Court for the District of Nevada, Civil Action No. 08- CV 0437 (April 7, 2008)
- Complaint

SELECTED COURT ORDERS

- Final Judgment of Permanent Injunction Against Defendant CMKM Diamonds, Inc. (April 21, 2008)

On April 21, 2008, the court entered a final judgment against CMKM Diamonds, Inc. enjoining it from future violations of the federal securities laws.

- Order Granting SEC's Motion for Summary Judgment Against Defendants John Edwards, Daryl Anderson, and Kathleen and Anthony Tomasso (June 23, 2009)
- Final Judgment of Permanent Junction and Other Relief Against Defendant Urban Casavant (September 2, 2009)

OTHER SEC ACTIONS CONCERNING CMKM DIAMONDS

- Litigation Release No. 20855: Securities and Exchange Commission v. Marco Glisson, Civil Action No. 2:09-cv-00104 (D. Nevada) (January 15, 2009)
 - Complaint
- In the Matter of Daryl Anderson, Admin. Proc. File No. 3-13156 (September 2, 2008) (Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Notice of Hearing)
 - Securities Exchange Act Release No. 58958 (November 14, 2008) (Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934)

- In the Matter of CMKM Diamonds, Inc., Initial Decision Release No. 291, Administrative Proceeding File No. 3-11858 (July 12, 2005)
 - Securities Exchange Act of 1934 Release No. 52694 (October 28, 2005) (Order Dismissing Review Proceedings and Notice of Finality)
- Release No. 34-51305 (March 3, 2005) (Trading Suspension: CMKM Diamonds, Inc., aka Casavant Mining Kimberlite International, Inc.)

<http://www.sec.gov/divisions/enforce/claims/cmkmopinion062309.htm>

[Home](#) | [Previous Page](#)

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