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MONEX DEPOSIT COMPANY and MONEX  
7 CREDIT COMPANY

8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT  
10 (SOUTHERN DIVISION – SANTA ANA)

12 MONEX DEPOSIT CO., et al.,

13 Plaintiffs,

14 v.

15 JASON GILLIAM, et al.,

16 Defendants,

Case No. SACV 09-287-JVS(RNBx)

**JUDGMENT ON EXTORTION IN  
FAVOR OF MONEX DEPOSIT  
CO. AND MONEX CREDIT CO.,  
AND AGAINST JASON GILLIAM;  
PERMANENT INJUNCTION;  
ORDER ALLOWING JUDGMENT  
UNDER FEDERAL RULE OF  
CIVIL PROCEDURE 54(b)**

19 AND RELATED COUNTERCLAIMS.

The Hon. James V. Selna

21 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that judgment  
22 be entered against defendant Jason Gilliam and in favor of plaintiffs Monex Deposit  
23 Co. and Monex Credit Co. on plaintiffs’ claim of extortion.

24 The Court finds the following facts and makes the following conclusions of  
25 law:

26 1. The Court has jurisdiction over plaintiffs and defendants Jason Gilliam  
27 and Richard Gilliam, and over the subject matter of this civil action.  
28

1           2.     Monex Deposit Company and Monex Credit Company (collectively,  
2     “Monex”) is a retail dealer in precious metals, transacting sales and purchases with  
3     members of the public. Monex thus has economic relationships with its customers  
4     and potential customers.

5           3.     Jason Gilliam was the owner and operator of, and contributor to, the  
6     website [www.MonexFraud.com](http://www.MonexFraud.com).

7           4.     Monex’s relationship with at least one of its active customers, John  
8     Barton, had a probable future economic benefit to Monex.

9           5.     Defendants Jason and Richard Gilliam knew of the economic  
10    relationships Monex had with its customers and potential customers in part because  
11    the Gilliams had been Monex customers themselves.

12          6.     Jason Gilliam intentionally tried to disrupt, through his publications on  
13    the [MonexFraud.com](http://www.MonexFraud.com) website, the relationships between Monex and its customers.

14          7.     Jason Gilliam’s intentional attempts to disrupt these relationships was  
15    independently wrongful because those attempts were part of his attempt to extort  
16    \$15 million from Monex, for which he is independently liable, for the reasons set  
17    forth below.

18          8.     Mr. Barton decided not to do further business with Monex because he  
19    read allegations about Monex on [www.MonexFraud.com](http://www.MonexFraud.com). Jason Gilliam therefore  
20    interrupted Monex’s economic relationship with Mr. Barton. Mr. Barton went on  
21    to do business with one of Monex’s competitors. He said he would have conducted  
22    this business with Monex had [www.MonexFraud.com](http://www.MonexFraud.com) (and therefore Jason  
23    Gilliam) not influenced him.

24          9.     Jason Gilliam and [MonexFraud.com](http://www.MonexFraud.com) economically harmed Monex by  
25    causing it to lose business, including that of Mr. Barton.

26          10.    On February 13, 2009, Jason Gilliam delivered a written  
27    correspondence to Monex in the form of a demand letter and a “Plan of Action.”

28          11.    The letter and “Plan of Action” expressed and implied threats listed in

1 California Penal Code Section 519, including publicly to accuse Monex of crimes,  
2 to expose Monex’s alleged crimes, to expose Monex secrets, such as a Monex  
3 “Position Report” document containing trade secrets, and to do an unlawful injury  
4 to Monex (*i.e.*, intentional interference with prospective economic advantage).

5 12. California Penal Code Section 523 implies a civil cause of action for  
6 attempted extortion, and the provisions of California Penal Code Section 519 are  
7 incorporated within that cause of action.

8 13. Jason Gilliam intended to improperly use fear created by the Section  
9 519 threats in order to extort a payment of \$15 million from Monex to him and/or  
10 one or more confederates with whom he was working.

11 14. Neither Jason nor Richard Gilliam intended to bring a lawsuit against  
12 Monex at the time Jason Gilliam delivered the letter and “Plan of Action” to  
13 Monex.

14 15. Statements in the letter and “Plan of Action” suggesting Jason  
15 Gilliam’s intent to litigate were fabrications, thus removing any remaining possible  
16 doubt that Jason Gilliam intended to improperly use fear created by the Section 519  
17 threats to extort money intentionally from Monex.

18 16. Addressing such fabrications, first, Jason Gilliam admitted that there  
19 were never 234 people seeking recovery from Monex and, in fact, that 184 of these  
20 people came from an apparently misappropriated Monex “Position Report”  
21 document listing these investors. None of these 184 people asked Jason Gilliam to  
22 represent them. Jason Gilliam did not know whether these people wanted any  
23 money from Monex. As for the remaining, approximately 50 people, Jason Gilliam  
24 had not spoken to all of them. He did not have any documented proof of their  
25 losses. He refused to identify those people at his deposition. He provided no  
26 evidence to support his statements in the letter that he represented 234 people or  
27 that he had a valid basis to demand \$15 million from Monex. That amount was far  
28 in excess of the losses allegedly incurred by Jason and Richard Gilliam, defendant

1 Steven Bowman, and seven people who submitted declarations indicating they may  
2 have contemplated suing Monex.

3 17. Second, there is no evidence to support Jason Gilliam's reference in  
4 the written correspondence to two former Monex account representatives willing to  
5 testify regarding Monex's allegedly illegal activities.

6 18. The only former Monex account representative Jason Gilliam  
7 produced for deposition did not testify to facts that supported the allegations made  
8 in the letter and "Plan of Action" regarding Monex's allegedly illegal conduct.

9 19. Third, there is no evidence to support the statement in the letter and  
10 "Plan of Action" that Monex had breached the standard Atlas Agreement it entered  
11 into with its customers.

12 20. Fourth, there is no evidence that www.MonexFraud.com was a central  
13 hub for a class action effort against Monex.

14 21. There was no class action effort against Monex connected to any  
15 defendant or to www.MonexFraud.com. Jason Gilliam never brought such a class  
16 action and, in fact, said he would not have joined a class action suit against Monex.

17 22. Jason Gilliam did not intend to bring suit against Monex when he  
18 made the communication to Monex demanding payment.

19 23. MonexFraud.com was an integral part of the attempted extortion  
20 because Jason Gilliam's written communications which he delivered to Monex  
21 stated that more negative information about the company would be posted to the  
22 website if his demands were not satisfied, and because such threats were, in fact,  
23 carried out.

24 24. The litigation privilege of California Civil Code Section 47(b)(2) does  
25 not protect Jason Gilliam from liability because neither he nor any one else working  
26 with him made a settlement demand related to litigation that any or either of them  
27 contemplated in good faith and had under serious consideration. Furthermore, the  
28 amount of money he demanded far exceeded the alleged losses of the Gilliams,

1 Steven Bowman, and the seven declarants who indicated they were contemplating a  
2 lawsuit against Monex.

3 25. Jason Gilliam's negative statements about Monex on  
4 MonexFraud.com and threats to Monex to make such statements absent payment,  
5 whether true or false, were never, and never could be, protected by the federal or  
6 California constitutions' free-speech guaranties because these threats and  
7 statements were unlawful speech made with the intent to extort. *See R.A.V. v. City*  
8 *of St. Paul*, 505 U.S. 377, 420, 112 S. Ct. 2538, 2563 (1992) (conc. opn. of Stevens,  
9 J.) ("Although the First Amendment broadly protects 'speech,' it does not protect  
10 the right to ... 'extort.'"); *Flatley v. Mauro*, 39 Cal. 4th 299, 328, 139 P.3d 2, 21  
11 (2006); *People v. Choynski*, 95 Cal. 640, 642-43, 30 P. 791 (1892); *People v.*  
12 *Umana*, 138 Cal. App. 4th 625, 638, 41 Cal. Rptr. 3d 573, 582 (2006); *Philippine*  
13 *Export & Foreign Loan Guarantee Corp. v. Chuidian*, 218 Cal. App. 3d 1058, 267  
14 Cal. Rptr. 457 (1990). Even if Jason Gilliam would have been within his rights to  
15 obtain money from Monex for himself or others, or to make the statements he made  
16 publicly and to government officials concerning Monex, he committed attempted  
17 extortion by combining the threats to make these statements with the demand for  
18 money. *See Flatley*, 39 Cal. 4th at 326 (2006); *accord Gomez v. Garcia*, 81 F.3d  
19 95, 97 (9th Cir. 1996); *People v. Tufunga*, 21 Cal. 4th 935, 955, 987 P.2d 168  
20 (1999); *Lindenbaum v. State Bar*, 26 Cal. 2d 565, 573, 160 P.2d 9 (1945).

21 26. Jason Gilliam did not retract his extortionate demands or threats: (a)  
22 to publish additional negative material about Monex on MonexFraud.com and  
23 otherwise, (b) to report Monex's activities to government and the news media, and  
24 (c) to continue to do so, unless Monex paid him \$15 million.

25 27. Unless the Court enjoins such conduct, Jason Gilliam is likely to  
26 publish negative material about Monex, including on MonexFraud.com or a similar  
27 web site, and to keep his extortionate threats in place because Monex has refused to  
28 pay them.

1           28. Such negative statements, particularly on the web, are likely to  
2 continue to harm Monex by damaging its reputation, customer relationships,  
3 business, revenues, and goodwill.

4           29. Such harm will not be compensable through money damages because  
5 the amount of damage will not be determinable with sufficient precision.

6           30. The balance of equities in considering entry of a permanent injunction  
7 tips in Monex's favor.

8           31. This permanent injunction is in the public interest.

9           32. This order, insofar as it grants summary judgment against Jason  
10 Gilliam on the claim of extortion, settles fewer than all the claims in this multi-  
11 claim lawsuit and settles that claim as to fewer than all defendants. This order is  
12 the ultimate disposition of that cognizable claim for relief against Jason Gilliam.

13           33. There is no just reason to delay entry of judgment against Jason  
14 Gilliam on the claim of extortion. A judgment on that claim now will make  
15 resolution of this action more efficient and facilitate settlement of the remaining  
16 claims, including by allowing appellate review of the key legal issues in this case.

17           IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT:

18           Jason Gilliam and anyone acting in concert or in participation with him,  
19 including as his agent, servant, employee, attorney, representative, partner, joint  
20 venturer or otherwise on his behalf, who receives notice of this order or its contents  
21 by any means, ARE HEREBY PERMANENTLY RESTRAINED, ENJOINED,  
22 AND PROHIBITED FROM:

23           i. Any effort to extort consideration from Monex, payable to  
24 anyone or any organization, including any effort to persuade Monex to pay  
25 any money, if such effort directly or indirectly involves: (1) any threat to  
26 publish a negative statement, whether true or false, about Monex or its  
27 employees in any forum or to share information about Monex with third  
28 parties, or (2) any threat to criticize Monex or its employees.

1           ii.     Operating, directly or indirectly, [www.MonexFraud.com](http://www.MonexFraud.com) or any  
2 other website address or publication using the name Monex in combination  
3 with any modifier which implies illegal, unlawful, unethical, immoral, or  
4 otherwise improper conduct.

5           iii.    Publishing or republishing on any website, including, but not  
6 limited to, [www.MonexFraud.com](http://www.MonexFraud.com), [www.youtube.com](http://www.youtube.com), <http://digg.com>,  
7 <http://goldismoney.info>, and <http://americannepali.blogspot.com>, or in any  
8 other manner or forum statements that Monex does not have title to, or the  
9 ability to deliver, precious metals sold under contract to any Monex  
10 customer; that Monex was expelled from the National Futures Association  
11 for fraud; that Monex operates as a boiler room; that Monex violates any  
12 federal or state statutes regulating the business operations of Monex; that  
13 Monex has been charged by the Internal Revenue Service with tax evasion;  
14 and that Monex fails to disclose accurately to customers account and trading  
15 terms (collectively “Prohibited Statements”). This part of the order requires  
16 removal of the following, within 72 hours of the entry of this judgment, from  
17 any website or other publication over which Jason Gilliam or anyone covered  
18 by this injunction has sufficient control to influence such website or  
19 publication all Prohibited Statements that they have published or republished  
20 there. This part of the order also requires stopping the use the word  
21 MonexFraud, or any variant thereof, within 72 hours of the entry of this  
22 judgment. Notwithstanding any other provision of this Order, nothing herein  
23 shall prohibit Jason Gilliam from (a) making statements regarding his own  
24 business dealings with Monex, including any losses he may have sustained,  
25 or (b) communicating with any governmental entity concerning matters  
26 within the scope of that entity’s legislative, administrative or regulatory  
27 responsibilities.

28           iv.    Disclosing or using directly or indirectly in any way any trade

1 secrets or other proprietary information belonging to Monex, including all  
2 internal Monex documents which are not public, such as Monex customer  
3 lists and Monex customer position reports.

4 v. Retaining any trade secret or proprietary information referred to  
5 in the last paragraph. To implement this part of the judgment, Jason Gilliam  
6 and anyone covered by this injunction must disclose to and return to Monex  
7 within 48 hours of entry of this judgment and permanent injunction all such  
8 information and documentation within their possession, or within the  
9 possession of anyone under their control. To the extent that Jason Gilliam  
10 and anyone covered by this injunction once had possession of such  
11 documentation, but no longer has possession, they must within the same 48-  
12 hour period also inform Monex's counsel of the following, in writing and in  
13 detail sufficient to allow Monex to use it to take effective steps to recover the  
14 documentation: (1) all efforts made to re-acquire such documentation; (2)  
15 what became of such documentation, including the time and date they lost  
16 control of the documentation; and (3) who presently has possession of this  
17 documentation.

18 The Court issues the foregoing permanent injunction based on the Court's  
19 entry of summary judgment against defendant Jason Gilliam on plaintiffs Monex  
20 Deposit Co.'s and Monex Credit Co.'s claim of extortion against him. The Court's  
21 bases for entering summary judgment are set forth above and in its Order re  
22 Motions for Summary Judgment and Motion for Summary Adjudication, Docket  
23 No. 301.

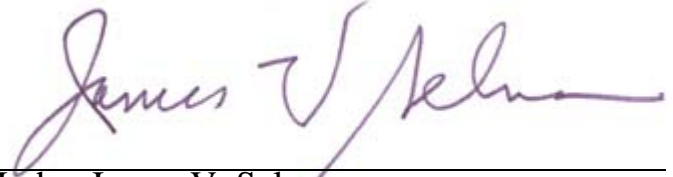
24 Monex is the prevailing party in this litigation on the claims of extortion and  
25 intentional interference with prospective business advantage for the purposes of  
26 recovering allowable costs and fees.

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1           The Court shall retain jurisdiction over this action for purposes of construing  
2 and enforcing the terms of this judgment and permanent injunction, and for  
3 punishing violations thereof.

4  
5 Dated: January 05, 2010



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8 Judge James V. Selna  
9 United States District Judge  
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