UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,	:	
Plaintiff,	:	
v.	:	**16 Civ. 06964(VSB)**
CONTRARIAN PRESS, LLC, SCOTT S. FRASER, and NATHAN YEUNG	:	
Defendants.	:	

DECLARATION OF JOSEPH G. DARRAGH

I, **Joseph G. Darragh**, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. I am a Management and Program Analyst for Plaintiff United States Securities and Exchange Commission (the "Commission"). I have been employed by the Commission since September 2015, and previously worked as a contractor at the Commission from November 2013 through August 2015. I serve as an investigator on the Microcap Fraud Task Force. My duties include financial and trading analysis, document review, phone record analysis, and interviewing witnesses, among other things, in order to assist the Commission's investigations into whether there have been violations of the federal securities laws.

2. I make this Declaration in support of the Commission's Memorandum in Law in Opposition to Defendants Scott S. Fraser's and Contrarian Press, LLC's Motion to Dismiss for Improper Venue or, Alternatively, to Transfer Venue (the "Opposition"). I make this Declaration based on personal knowledge, including knowledge gained during my work on the New York Regional Office staff's investigation that preceded the instant litigation (the "Investigation"). This includes my review of documents obtained by the Commission staff pursuant to

investigative subpoenas and other means, including, among other things, trading records and other information from various broker-dealers; telephone records; emails; stock promotion newsletters and stock promotion emails; invoices and purchase orders; online databases such as CLEAR, a Thomson Reuters online investigative platform; trading data from FINRA and other providers; bank records; and information from the Fedwire Funds Service and the Clearing House Interbank Payment System, settlement systems for money transfers. Because I make this Declaration for the limited purpose of supporting the Opposition, I have not set forth each and every fact I know concerning either the Investigation or the instant litigation.

Bluesheet Data

3. Bluesheet Management System ("Bluesheet") is an electronic program used by the Commission to obtain trading data ("Bluesheet Data") from various broker-dealers in the securities industry. In the course of my employment, I routinely review Bluesheet Data. On some occasions, I have requested Bluesheet Data myself from certain broker-dealers. On other occasions, I have reviewed Bluesheet Data requested by another SEC staff member. To the best of my knowledge, Bluesheet Data is stored electronically in New Jersey, and is accessible by staff from all regional offices, including the Commission's New York Regional Office.

4. Bluesheet Data provides detailed information about securities trades performed by a broker-dealer or its clients. For each trade, Bluesheet Data includes, among other things, the security's name and ticker symbol, the trade date, the trade price, the quantity of shares transacted, and information identifying the individuals or entities that purchased or sold the security, including the mailing addresses of those individuals.

5. The Commission staff assigned to the Investigation asked me to review Bluesheet Data in order to, among other things, identify individuals and entities listing a mailing address in

the Southern District of New York that purchased shares of Empowered Products, Inc. ("EMPO") common stock during the periods from September through October 2011, May 2012, and October through mid-November 2012 (the "Bluesheet Data Review Periods"). These periods overlap with, and immediately follow, the three stock promotions concerning EMPO common stock identified in the Complaint and defined in the Opposition as the 2011 Promotion, the May 2012 Promotion, and the October 2012 Promotion.

6. I personally requested Bluesheet Data corresponding with the Bluesheet Data Review Periods.

7. During the Investigation, I logged onto the Commission's Bluesheet system and retrieved electronic Bluesheet Data showing EMPO trades during the Bluesheet Data Review Periods. The electronic Bluesheet Data I reviewed were in the same format as other Bluesheet Data I have reviewed. The Bluesheet Data I reviewed contained voluminous amounts of information, including over 10,000 trades and 28 data fields, such as the trade date, settlement date, account number, account name, addresses, and Committee on Uniform Security Identification Procedures ("CUSIP") numbers.

8. In order to summarize and sort the voluminous trade data, I downloaded the Bluesheet Data into Microsoft Excel ("Excel"), a software program. I then used Excel pivot tables to summarize the trade data concerning the investors, including their mailing addresses and the dates on which they purchased EMPO stock during the Bluesheet Data Review Periods.

9. Using this Excel spreadsheet, I was able to isolate purchasers of EMPO common stock during the Bluesheet Data Review Periods who listed a Southern District of New York address with their broker, and determined that such investors purchased EMPO stock during, and immediately following, the May 2012 Promotion and the October 2012 Promotion (the

"S.D.N.Y. EMPO Investors"). I removed certain personally identifiable information concerning the purchasers, including their street addresses, account numbers, and tax identification numbers. A chart of the S.D.N.Y. EMPO Investors is attached as Exhibit 1.

Stock Promotions

10. The Staff assigned to the Investigation asked me to review documents obtained during the Investigation, along with currently available CLEAR investigative reports, to determine the names and locations of stock promotion entities, and representatives associated with them, who disseminated EMPO-related stock promotions, or retained others to do so, during the May and October 2012 Promotions (collectively, the "Stock Promoters").

11. These documents were voluminous and included copies of stock promotion newsletters and emails, bank records, invoices, purchase orders, e-mail correspondence, CLEAR investigative reports, and the Stock Promoter's website. I used these documents to determine the location of the Stock Promoters.

12. Based on currently available information, the Stock Promoters are located in New York, Illinois, California, Florida, Texas, Vermont, Nevada, Virginia, Delaware, Maryland, and the United Kingdom. A chart of all Stock Promoters is attached as Exhibit 2.

Bank Records

13. As part of my work on the Investigation, I reviewed voluminous bank records to determine who paid for the May and October 2012 Promotions.

14. As alleged in the Complaint, the May 2012 Promotion disclosed compensation from an entity called Mass Media Advertising Ltd. ("Mass Media") in the amount of $326,700. The bank records indicate that Mass Media is located in Hong Kong.

15. The bank records I reviewed indicate that Yaksha Industries, Inc. sent a wire

transfer in the amount of $330,000 to Mass Media on April 12, 2012. This wire transfer contains a "wire memo" that contains the term "EMPO." The bank records associate Yaksha Industries, Inc. with a person named Joe Yiu Cheung. Based on evidence gathered during the Investigation, Cheung is an associate of Fraser and is a resident of Canada and Hong Kong.

16. The bank records also indicate that Mass Media sent a wire transfer of $326,700 on April 17, 2012 to Silver Crest Equity Research, a Las Vegas, Nevada entity operated by Las Vegas, Nevada-based Ted Foth.

17. The wire transfer to Mass Media passed through a New York, New York-based "correspondent bank account." A correspondent bank account is an account established by a banking institution to receive deposits from, make deposits on behalf of, or handle other financial transactions for another financial institution.

18. Bank records indicate that Crown Pacifica Media Services, Inc. ("Crown Pacifica") paid invoices from Stock Promoters for the October 2012 EMPO Promotion. Exhibit 2 indicates which Stock Promoters were paid by Crown Pacifica, and provides their locations.

19. Based on my review of bank records, Crown Pacifica sent payment to at least one Stock Promoter, which lists a New York, New York address based on currently available information, to a bank account that Stock Promoter maintained in New York, New York.

Contrarian Press, LLC Contact List

20. I understand Contrarian Press, LLC ("Contrarian") to be a publishing company which published investment newsletters under the names Natural Contrarian, Nat Con Publishing, Contrarian Wealth Coalition, Stock-Profit Guide, and Contrarian Press (the "Contrarian Newsletters"). It is my understanding that Contrarian disseminated the Contrarian Newsletters, including those disseminated as part of the 2011 Promotion, via its website and to

its subscriber list through e-mail and hard copy mailers.

21. During the Investigation, Contrarian produced a backup copy of data from Gold Mine, which is customer relationship management software (the "Contrarian Contact List"). This data is voluminous and contains names and contact information, including addresses, for Contrarian's and EMPO's business contacts, including subscribers to the Contrarian Newsletters. Counsel for Contrarian represented to the staff that the Contrarian Contact List is not limited to the time period from June 2011 to December 2014, and that the data spans a broader time period. I reviewed the Contrarian Contact List, filtered the data, and determined that over 4,000 contacts list New York mailing addresses.

Location of Potential Witnesses

22. I understand that I may be called as a summary witness in this litigation to testify, among other things, about my review of voluminous evidence collected during the underlying investigation including, but not limited to, trading and other records obtained from broker dealers, bank records and other evidence of money transfers, and stock promotion newsletters and emails in order to explain how the EMPO promotions were orchestrated, funded, and disseminated to potential investors.

23. I worked on the Investigation and work on the instant litigation from the Commission's New York Regional Office, located in New York, New York, and all of the documents and evidence that I reviewed, as well as my files containing my analysis, are located in the New York Regional Office. I reside in Ossining, New York and the New York Regional Office is the closest Commission office to my residence.

I declare under penalty of perjury that the foregoing is correct.

Executed on March 9, 2017
New York, NY

/s/Joseph G. Darragh
Joseph G. Darragh