

ADMINISTRATIVE PROCEEDING
FILE NO. 3-11858

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
July 1, 2005

In the Matter of :
: **ORDER ON MOTIONS**
CMKM DIAMONDS, INC. :
:

The Securities and Exchange Commission (Commission) issued an Order Instituting Proceedings on March 16, 2005, to determine whether allegations that CMKM Diamonds, Inc. (CMKM Diamonds) had failed to comply with Section 13(a) of the Securities Exchange Act of 1934 and Exchange Act Rules 13a-1 and 13a-13 thereunder were true. A public hearing was held on May 10, 2005, and briefing was completed on June 29, 2005. An Initial Decision is due by July 21, 2005.

On June 21, 2005, the Division of Enforcement (Division) filed a Motion to Strike a portion of the brief filed by John Martin and others (Owners Group), a non-party allowed limited participation. The Division contends that evidence of naked short selling in CMKM Diamonds's stock is irrelevant where CMKM Diamonds admits that it has not made the filings required by law and the issue is what sanctions are appropriate. The Owners Group did not file an opposition to the Division's Motion to Strike.

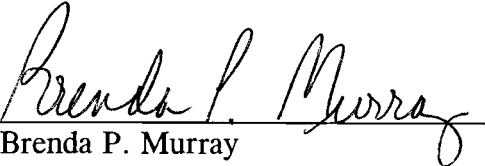
On June 29, 2005, the Owners Group filed a Motion for Leave to File "Shareholder Exhibit 1," which includes, among other things, account information of certain CMKM Diamonds shareholders summarized in writing and CD-ROM format, and an updated shareholder list. According to the Owners Group, the proposed exhibit shows "enormous amounts" of short selling in CMKM Diamonds stock, which it requests be considered in assessing sanctions. On June 30, 2005, the Division filed its opposition to the Owners Group's Motion for Leave to File "Shareholder Exhibit 1."

Ruling

The issue of short selling is irrelevant to the issue in this proceeding, i.e. whether CMKM Diamonds filed with the Commission the reports required of a company with publicly traded securities, for the reasons stated in my May 5, 2005, Order. Accordingly, pursuant to Rule 320 of the Commission's Rules of Practice, 17 C.F.R. § 201.320:

I GRANT the Division's Motion to Strike Section (C)(2) of the Owners Group's Post-Hearing Brief; and

I DENY the Owners Group's Motion for Leave to File "Shareholder Exhibit 1."


Brenda P. Murray
Chief Administrative Law Judge