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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Southern Division**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

DANIEL PACHECO

Defendants, and

EPROFIT SYSTEMS LLC,
MATTHEW LOPEZ, FINTACT
SOLUTIONS GROUP LLC,
FINTACT PAYMENT SOLUTIONS
LLC, MARITUS REGALIS LLC,
GABTTA LLC, and TRIDENT
COMMERCE LLC,

Relief Defendants.

Case No. 5:19-cv-00958-FWS-AFM

**FINAL JUDGMENT AS TO
DEFENDANT DANIEL PACHECO
[131]**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Daniel Pacheco having entered a general appearance; consented to the
3 Court's jurisdiction over Defendant and the subject matter of this action; consented to
4 entry of this Final Judgment without admitting or denying the allegations of the
5 Complaint (except as to jurisdiction and except as otherwise provided herein in
6 paragraph VI); waived findings of fact and conclusions of law; and waived any right
7 to appeal from this Final Judgment:

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
10 permanently restrained and enjoined from violating, directly or indirectly, Section
11 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §
12 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
13 any means or instrumentality of interstate commerce, or of the mails, or of any
14 facility of any national securities exchange, in connection with the purchase or sale of
15 any security:

- 16 (a) to employ any device, scheme, or artifice to defraud;
17 (b) to make any untrue statement of a material fact or to omit to state a
18 material fact necessary in order to make the statements made, in the light
19 of the circumstances under which they were made, not misleading; or
20 (c) to engage in any act, practice, or course of business which operates or
21 would operate as a fraud or deceit upon any person.

22 It is further ordered, adjudged, and decreed that, as provided in Federal Rule of
23 Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who
24 receive actual notice of this Final Judgment by personal service or otherwise: (a)
25 Defendant's officers, agents, servants, employees, and attorneys; and (b) other
26 persons in active concert or participation with Defendant or with anyone described in
27 (a).

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II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

It is further ordered, adjudged, and decreed that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

- 1 (b) Unless a registration statement is in effect as to a security, carrying or
2 causing to be carried through the mails or in interstate commerce, by any
3 means or instruments of transportation, any such security for the purpose
4 of sale or for delivery after sale; or
- 5 (c) Making use of any means or instruments of transportation or
6 communication in interstate commerce or of the mails to offer to sell or
7 offer to buy through the use or medium of any prospectus or otherwise
8 any security, unless a registration statement has been filed with the
9 Commission as to such security, or while the registration statement is the
10 subject of a refusal order or stop order or (prior to the effective date of
11 the registration statement) any public proceeding or examination under
12 Section 8 of the Securities Act [15 U.S.C. § 77h].

13 It is further ordered, adjudged, and decreed that, as provided in Federal Rule of
14 Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who
15 receive actual notice of this Final Judgment by personal service or otherwise: (a)
16 Defendant's officers, agents, servants, employees, and attorneys; and (b) other
17 persons in active concert or participation with Defendant or with anyone described in
18 (a).

19 IV.

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendant is liable for disgorgement of \$1,814,479, representing net profits gained as
22 a result of the conduct alleged in the Complaint, together with prejudgment interest
23 thereon in the amount of \$82,859.07, and a civil penalty in the amount of \$207,183
24 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section
25 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this
26 obligation by paying \$2,104,521.07 to the Securities and Exchange Commission
27 pursuant to the terms of the payment schedule set forth in paragraph V below after
28 entry of this Final Judgment.

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

7 Enterprise Services Center
8 Accounts Receivable Branch
9 6500 South MacArthur Boulevard
10 Oklahoma City, OK 73169

11 and shall be accompanied by a letter identifying the case title, civil action number,
12 and name of this Court; Daniel Pacheco as a defendant in this action; and specifying
13 that payment is made pursuant to this Final Judgment.

14 Defendant shall simultaneously transmit photocopies of evidence of payment
15 and case identifying information to the Commission's counsel in this action. By
16 making this payment, Defendant relinquishes all legal and equitable right, title, and
17 interest in such funds and no part of the funds shall be returned to Defendant.

18 The Commission may enforce the Court's judgment for disgorgement and
19 prejudgment interest by using all collection procedures authorized by law, including,
20 but not limited to, moving for civil contempt at any time after 30 days following entry
21 of this Final Judgment.

22 The Commission may enforce the Court's judgment for penalties by the use of
23 all collection procedures authorized by law, including the Federal Debt Collection
24 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the
25 violation of any Court orders issued in this action. Defendant shall pay post judgment
26 interest on any amounts due after 30 days of the entry of this Final Judgment pursuant
27 to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest
28 and income earned thereon (collectively, the "Fund"), pending further order of the

1 Court.

2 The Commission may propose a plan to distribute the Fund subject to the
3 Court's approval. Such a plan may provide that the Fund shall be distributed pursuant
4 to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.
5 The Court shall retain jurisdiction over the administration of any distribution of the
6 Fund and the Fund may only be disbursed pursuant to an Order of the Court.

7 Regardless of whether any such Fair Fund distribution is made, amounts
8 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
9 penalties paid to the government for all purposes, including all tax purposes. To
10 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
11 reduction of any award of compensatory damages in any Related Investor Action
12 based on Defendant's payment of disgorgement in this action, argue that he is entitled
13 to, nor shall he further benefit by, offset or reduction of such compensatory damages
14 award by the amount of any part of Defendant's payment of a civil penalty in this
15 action ("Penalty Offset"). If the court in any Related Investor Action grants such a
16 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting
17 the Penalty Offset, notify the Commission's counsel in this action and pay the amount
18 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
19 Commission directs. Such a payment shall not be deemed an additional civil penalty
20 and shall not be deemed to change the amount of the civil penalty imposed in this
21 Judgment. For purposes of this paragraph, a "Related Investor Action" means a
22 private damages action brought against Defendant by or on behalf of one or more
23 investors based on substantially the same facts as alleged in the Complaint in this
24 action.

25 V.

26 Daniel Pacheco shall pay the total of disgorgement, prejudgment interest, and
27 penalty due of \$2,104,521.07 two (2) installments to the Commission according to
28 the following schedule: (1) \$100,000, within 20 days of entry of this Final Judgment;

1 (2) \$2,004,521.07, within 365 days of entry of this Final Judgment. Payments shall be
2 deemed made on the date they are received by the Commission and shall be applied
3 first to post judgment interest, which accrues pursuant to 28 U.S.C. § 1961 on any
4 unpaid amounts due after 30 days of the entry of Final Judgment. Prior to making the
5 final payment set forth herein, Daniel Pacheco shall contact the staff of the
6 Commission for the amount due for the final payment.

7 If Daniel Pacheco fails to make any payment by the date agreed and/or in the
8 amount agreed according to the schedule set forth above, all outstanding payments
9 under this Final Judgment, including post-judgment interest, minus any payments
10 made, shall become due and payable immediately at the discretion of the staff of the
11 Commission without further application to the Court.

12 **VI.**

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
14 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
15 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
16 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
17 amounts due by Defendant under this Final Judgment or any other judgment, order,
18 consent order, decree or settlement agreement entered in connection with this
19 proceeding, is a debt for the violation by Defendant of the federal securities laws or
20 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of
21 the Bankruptcy Code, 11 U.S.C. §523(a)(19).

22 **VII.**

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
24 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
25 Final Judgment.

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VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Date: September 6, 2023



HON. FRED W. SLAUGHTER
UNITED STATES DISTRICT JUDGE

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