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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

SACV11-1962-JVS(ANX)

v.

HEART TRONICS, INC., MITCHELL JAY
STEIN, WILLIE JAMES GAULT,
J. ROWLAND PERKINS, II, MARTIN
BERT CARTER, MARK CROSBY
NEVDAHL, and RYAN ALLAN RAUCH,

Defendants,

TRACEY HAMPTON-STEIN, ARC
FINANCE GROUP, LLC, ARC BLIND
TRUST, THS BLIND TRUST, JAYMI
BLIND TRUST, OAK TREE
INVESTMENTS BLIND TRUST, WBT
INVESTMENTS BLIND TRUST, CATCH
83 GENERAL PARTNERSHIP, and FIVE
INVESTMENTS PARTNERSHIP,

Relief Defendants.

FINAL JUDGMENT AS TO DEFENDANT RYAN RAUCH

The Securities and Exchange Commission having filed a Complaint and
Defendant Ryan Rauch having entered a general appearance; consented to the
Court's jurisdiction over Defendant and the subject matter of this action; consented

1 to entry of this Final Judgment without admitting or denying the allegations of the
2 Complaint (except as to jurisdiction); waived findings of fact and conclusions of
3 law; and waived any right to appeal from this Final Judgment:
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5 I.

6 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
7 and Defendant's agents, servants, employees, attorneys, and all persons in active
8 concert or participation with them who receive actual notice of this Final Judgment
9 by personal service or otherwise are permanently restrained and enjoined from
10 violating, directly or indirectly, Section 17(b) of the Securities Act of 1933 (the
11 "Securities Act") [15 U.S.C. § 777q(b)] by using any means or instrumentality of
12 interstate commerce, or of the mails, to publish, give publicity to, or circulate any
13 notice, circular, advertisement, newspaper, article, letter, investment service, or
14 communication which, though not purporting to offer a security for sale, describes
15 such security for a consideration received or to be received, directly or indirectly,
16 from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether
17 past or prospective, of such consideration and the amount thereof.
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22 II.

23 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
24 that Defendant is barred, for a period of three years from the date of this Final
25 Judgment, from participating in an offering of penny stock, including engaging in
26 activities with a broker, dealer, or issuer for purposes of issuing, trading, or
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1 inducing or attempting to induce the purchase or sale of any penny
2 stock is any equity security that has a price of less than five dollars, except as
3 provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].
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5 III.

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
7 Defendant is liable for disgorgement of \$15,000, representing profits gained as a
8 result of the conduct alleged in the Complaint, together with prejudgment interest
9 thereon in the amount of \$2,789.84, and a civil penalty in the amount of \$20,000
10 pursuant to Section 20(d) of the Securities Exchange Act [15 U.S.C. § 77t(d)].
11 Defendant shall satisfy this obligation by paying \$37,789.84 within 30 days after
12 entry of this Final Judgment by certified check, bank cashier's check, or United
13 States postal money order payable to the Securities and Exchange Commission.
14 The payment shall be delivered or mailed to the Office of Financial Management,
15 Securities and Exchange Commission, 100 F Street, NE, Mail Stop 6042,
16 Washington DC 20549, and shall be accompanied by a letter identifying Ryan
17 Rauch as a defendant in this action; setting forth the title and civil action number of
18 this action and the name of this Court; and specifying that payment is made
19 pursuant to this Final Judgment. Defendant shall pay post-judgment interest on
20 any delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit
21 the funds paid pursuant to this paragraph to the United States Treasury.
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IV.

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2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
3 Consent is incorporated herein with the same force and effect as if fully set forth
4 herein, and that Defendant shall comply with all of the undertakings and
5 agreements set forth therein.
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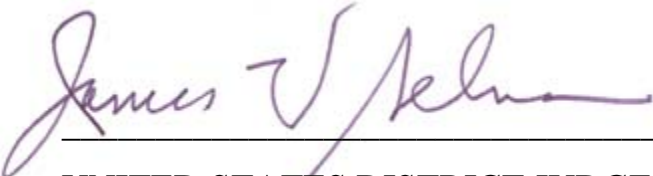
7 V.
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9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
10 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
11 of this Final Judgment.
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13 VI.
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16 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
17 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
18 forthwith and without further notice.
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22 Dated: August 09, 2012

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25 UNITED STATES DISTRICT JUDGE
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