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6 **IN THE UNITED STATES DISTRICT COURT**
7 **FOR THE DISTRICT OF ARIZONA**
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9 Securities and Exchange Commission,

No. CV-19-05667-PHX-DJH

10 Plaintiff,

FINAL JUDGMENT

11 v.

12 Conrad A Coggeshall, et al.,

13 Defendants.
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15 Pending before the Court is Plaintiff Securities and Exchange Commission (“SEC”) Motion for Final Judgment with financial remedies against Defendant Conrad Coggeshall and Dismissal with prejudice of the SEC’s claims against Relief Defendant Business Owners Tax Relief, LLC (“BOTR”) (Doc. 28). Finding good cause, the Court will grant the SEC’s Motion.¹

16 Accordingly,

17 **1. Dismissal of BOTR**

18 **IT IS HEREBY ORDERED** that the claims asserted in this matter by the Securities and Exchange Commission against Relief Defendant Business Owners Tax Relief, LLC are **dismissed, with prejudice**, pursuant to Rule 41(a)(2) of the Federal Rules of Civil Procedure.
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27 ¹ The SEC attached a certificate of service to the Motion indicating a copy was served to Defendant Conrad A. Coggeshall at his home address and to his Counsel Richard K. Jones. (Doc. 28 at 10). Under the parties’ agreement, Coggeshall was permitted to respond to the SEC’s Motion. (*Id.* at ¶ 29). He did not do so. Accordingly, the Court will order the SEC to serve Coggeshall and his counsel with a copy of this Judgment.
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1 **2. Final Judgment as to Defendant Conrad A. Coggeshall**

2 The Securities and Exchange Commission having filed a Complaint and Defendant
3 Conrad A. Coggeshall having entered a general appearance and consented to the Court’s
4 jurisdiction over him and the subject matter of this action, consented to the entry of a partial
5 judgment in which he was enjoined from violating Section 10(b) of the Securities Exchange
6 Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated
7 thereunder [17 C.F.R. § 240.10b-5] and Section 17(a) of the Securities Act of 1933 (the
8 “Securities Act”) [15 U.S.C. § 77q(a)], and waived findings of fact and conclusions of law
9 and any right to appeal from the partial judgment (Doc. 25); and the Court having
10 considered the Securities and Exchange Commission’s Motion for Financial Remedies
11 Against Defendant Conrad A. Coggeshall and the Entry of Final Judgment, the Court enters
12 final judgment against Defendant Conrad A. Coggeshall as follows:

13 **I.**

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

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

26 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as provided
27 in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the
28 following who receive actual notice of this Final Judgment by personal service or

1 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b)
2 other persons in active concert or participation with Defendant or with anyone described
3 in (a).

4 **II.**

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

10 (a) to employ any device, scheme, or artifice to defraud;

11 (b) to obtain money or property by means of any untrue statement of a material fact
12 or any omission of a material fact necessary in order to make the statements made,
13 in light of the circumstances under which they were made, not misleading; or

14 (c) to engage in any transaction, practice, or course of business which operates or
15 would operate as a fraud or deceit upon the purchaser.

16 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that as provided
17 in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the
18 following who receive actual notice of this Final Judgment by personal service or
19 otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b)
20 other persons in active concert or participation with Defendant or with anyone described
21 in (a).

22 **III.**

23 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that
24 Defendant is liable for disgorgement of \$592,546, representing net profits gained as a result
25 of the conduct alleged in the Complaint, together with prejudgment interest thereon in the
26 amount of \$100,299.73, but that such disgorgement and prejudgment interest is deemed
27 satisfied by the judgment of default entered against Coggeshall and Business Owners Tax
28 Relief, LLC by the Arizona Corporation Commission in *In the Matter of Conrad*

1 *Coggeshall and Business Owners Tax Relief*, Docket No. S-21103A-20-0095 (October 2,
2 2020), and a civil penalty in the amount of \$385,536 pursuant to Section 20(d) of the
3 Securities Act [15 U.S.C. §77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §
4 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$385,536 to the Securities
5 and Exchange Commission within 30 days after entry of this Final Judgment.

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

12 Enterprise Services Center
13 Accounts Receivable Branch
14 6500 South MacArthur Boulevard
15 Oklahoma City, OK 73169

16 and shall be accompanied by a letter identifying the case title, civil action number, and
17 name of this Court; Conrad A. Coggeshall as a defendant in this action; and specifying that
18 payment is made pursuant to this Final Judgment.

19 Defendant shall simultaneously transmit photocopies of evidence of payment and
20 case identifying information to the Commission's counsel in this action. By making this
21 payment, Defendant relinquishes all legal and equitable right, title, and interest in such
22 funds and no part of the funds shall be returned to Defendant. The Commission may enforce
23 the Court's judgment for penalties by the use of all collection procedures authorized by
24 law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 et seq., and
25 moving for civil contempt for the violation of any Court orders issued in this action.
26 Defendant shall pay post judgment interest on any amounts due after 30 days of the entry
27 of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
28 together with any interest and income earned thereon (collectively, the "Fund"), pending

1 further order of the Court.

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

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

23 **IV.**

24 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that (i) solely for
25 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11
26 U.S.C. §523, the allegations in the Amended Complaint are true and deemed admitted by
27 Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or
28 other amounts due by Defendant under this Final Judgment or any other judgment, order,

1 consent order, decree or settlement agreement entered in connection with this proceeding,
2 is a debt for the violation by Defendant of the federal securities laws or any regulation or
3 order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code,
4 11 U.S.C. §523(a)(19).


5 **V.**

6 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Court
7 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final
8 Judgment.

9 **VI.**

10 The Clerk of Court is ordered to enter this Final Judgment forthwith and without
11 further notice.

12 Dated this 16th day of December, 2022.

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16 Honorable Diane J. Humetewa
17 United States District Judge
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