

1 AMY JANE LONGO Cal. Bar No. 198304  
Email: [longoa@sec.gov](mailto:longoa@sec.gov)  
2 DAVID M. ROSEN Cal. Bar No. \_150880  
Email: [rosend@sec.gov](mailto:rosend@sec.gov)

3 Attorneys for Plaintiff  
Securities and Exchange Commission  
4 Michele Wein Layne, Regional Director  
Alka N. Patel, Associate Regional Director  
5 444 South Flower Street, Suite 900  
Los Angeles, California 90071  
6 Telephone: (323) 965-3998  
7 Facsimile: (213) 443-1904

8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **WESTERN DIVISION**

11  
12 **SECURITIES AND EXCHANGE**  
**COMMISSION,**

13 **Plaintiff,**

14 **vs.**

15 **PLCMGMT LLC, dba**  
16 **PROMETHEUS LAW, JAMES A.**  
17 **CATIPAY, and DAVID A.**  
**ALDRICH,**

18 **Defendants.**

Case No. 2:16-cv-02594-TJH-FFMx

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21 **JUDGMENT AS TO DEFENDANT PLCMGMT LLC,**  
22 **dba PROMETHEUS LAW [126]**

23  
24 The Securities and Exchange Commission having filed a Complaint against  
25 Defendant PLCMGMT LLC, dba Prometheus Law (“Defendant”); the court-  
26 appointed permanent receiver Thomas McNamara (“Receiver”), acting on behalf of  
27 Defendant, having consented to the Court’s jurisdiction over Defendant and the  
28 subject matter of this action; consented to entry of this Judgment without admitting or

1 denying the allegations of the Complaint (except as to jurisdiction and except as  
2 otherwise provided herein in paragraph VI); waived findings of fact and conclusions  
3 of law; and waived any right to appeal from this Final Judgment:

4 I.

5 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
6 permanently restrained and enjoined from violating, directly or indirectly, Section  
7 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C.  
8 § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using  
9 any means or instrumentality of interstate commerce, or of the mails, or of any  
10 facility of any national securities exchange, in connection with the purchase or sale of  
11 any security:

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

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

24 II.

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
26 Defendant is permanently restrained and enjoined from violating Section 17(a) of the  
27 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale  
28

1 of any security by the use of any means or instruments of transportation or  
2 communication in interstate commerce or by use of the mails, directly or indirectly:

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

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

16  
17 III.

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

- 22 (a) Unless a registration statement is in effect as to a security, making use of  
23 any means or instruments of transportation or communication in  
24 interstate commerce or of the mails to sell such security through the use  
25 or medium of any prospectus or otherwise;
- 26 (b) Unless a registration statement is in effect as to a security, carrying or  
27 causing to be carried through the mails or in interstate commerce, by any  
28 means or instruments of transportation, any such security for the purpose

1 of sale or for delivery after sale; or

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

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

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17 IV.

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
19 Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon,  
20 and a civil penalty pursuant to Section 20(d) of the Securities Act (15 U.S.C.  
21 § 77t(d)) and Section 21(d)(3) of the Exchange Act (15 U.S.C. § 78u(d)(3)). The  
22 Court shall determine the amounts of the disgorgement and civil penalty upon motion  
23 of the Commission. Prejudgment interest shall be calculated from  
24 November 1, 2013, based on the rate of interest used by the Internal Revenue Service  
25 for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In  
26 connection with the Commission's motion for disgorgement and/or civil penalties,  
27 and at any hearing held on such a motion: (a) Defendant will be precluded from  
28 arguing that it did not violate the federal securities laws as alleged in the Complaint;

1 (b) Defendant may not challenge the validity of the Consent or this Final Judgment;  
2 (c) solely for the purposes of such motion, the allegations of the Complaint shall be  
3 accepted as and deemed true by the Court; and (d) the Court may determine the issues  
4 raised in the motion on the basis of affidavits, declarations, excerpts of sworn  
5 deposition or investigative testimony, and documentary evidence, without regard to  
6 the standards for summary judgment contained in Rule 56(c) of the Federal Rules of  
7 Civil Procedure. In connection with the Commission's motion for disgorgement  
8 and/or civil penalties, the parties may take discovery, including discovery from  
9 appropriate non-parties.

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11 V.

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

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16 VI.

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

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21 Dated: October 31, 2019



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23 HON. TERRY J. HATTER, JR.,  
24 UNITED STATES DISTRICT JUDGE  
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