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9 **UNITED STATES DISTRICT COURT**  
 10 **CENTRAL DISTRICT OF CALIFORNIA**

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

13 Plaintiff,

14 vs.

15 **JAY BELSON, SMARTE REAL**  
 16 **ESTATE INVESTMENTS, INC.,**  
 17 **JACK ROCKMAN, LLC, JOHN**  
 18 **BLACKSTONE, LLC, RESIDENCE**  
**AT ST. IVES, LLC, AND BELLAGIO**  
**PLACE RESIDENCE, LLC,**

19 Defendants.

Case No. CV 17-5953 PA (KSx)

**FINAL JUDGMENT AS TO**  
**DEFENDANT JACK ROCKMAN,**  
**LLC**

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1 The Securities and Exchange Commission having filed a Complaint and  
2 Defendant Jack Rockman, LLC, having entered a general appearance; consented to  
3 the Court's jurisdiction over Defendant and the subject matter of this action;  
4 consented to entry of this Final Judgment without admitting or denying the  
5 allegations of the Complaint (except as to jurisdiction and except as otherwise  
6 provided herein in paragraph VI); waived findings of fact and conclusions of law; and  
7 waived any right 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  
18 a material fact necessary in order to make the statements made, in  
19 the light of the circumstances under which they were made, not  
20 misleading; or
- 21 (c) to engage in any act, practice, or course of business which  
22 operates or would operate as a fraud or deceit upon any person.

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

1 **II.**

2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND  
3 DECREED that Defendant is permanently restrained and enjoined from violating  
4 Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §  
5 77q(a)] in the offer or sale of any security by the use of any means or instruments of  
6 transportation or communication in interstate commerce or by use of the mails,  
7 directly or indirectly:

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

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

21 **III.**

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
23 Defendant is liable, jointly and severally with Defendants Smarte Real Estate  
24 Investments, Inc., John Blackstone, LLC, Residences at St. Ives, LLC, Bellagio Place  
25 Residence, LLC, and Jay Belson, for disgorgement of \$1,824,872.04, representing  
26 profits gained as a result of the conduct alleged in the Complaint, together with  
27 prejudgment interest thereon in the amount of \$73,993.52, for a total of  
28 \$1,898,865.56. Defendant shall satisfy this obligation by paying \$1,898,865.56 to the

1 Securities and Exchange Commission within 14 days after entry of this Final  
2 Judgment.

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

9 Enterprise Services Center  
10 Accounts Receivable Branch  
11 6500 South MacArthur Boulevard  
12 Oklahoma City, OK 73169

13 and shall be accompanied by a letter identifying the case title, civil action number,  
14 and name of this Court; Jack Rockman, LLC as a defendant in this action; and  
15 specifying that payment is made pursuant to this Final Judgment.

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

20 The Commission shall hold the funds (collectively, the "Fund") and may  
21 propose a plan to distribute the Fund subject to the Court's approval. The Court shall  
22 retain jurisdiction over the administration of any distribution of the Fund. If the  
23 Commission staff determines that the Fund will not be distributed, the Commission  
24 shall send the funds paid pursuant to this Final Judgment to the United States  
25 Treasury.

26 The Commission may enforce the Court's judgment for disgorgement and  
27 prejudgment interest by moving for civil contempt (and/or through other collection  
28 procedures authorized by law) at any time after 14 days following entry of this Final  
Judgment. Defendant shall pay post judgment interest on any delinquent amounts

1 pursuant to 28 U.S.C. § 1961.

2 **IV.**

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
4 shall pay a civil penalty in the amount of \$905,353 to the Securities and Exchange  
5 Commission pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and  
6 Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall make  
7 this payment within 14 days after entry of this Final Judgment.

8 Defendant may transmit payment electronically to the Commission, which will  
9 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also  
10 be made directly from a bank account via Pay.gov through the SEC website at  
11 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified  
12 check, bank cashier's check, or United States postal money order payable to the  
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22 making this payment, Defendant relinquishes all legal and equitable right, title, and  
23 interest in such funds and no part of the funds shall be returned to Defendant. The  
24 Commission shall send the funds paid pursuant to this Final Judgment to the United  
25 States Treasury. Defendant shall pay post-judgment interest on any delinquent  
26 amounts pursuant to 28 USC § 1961.

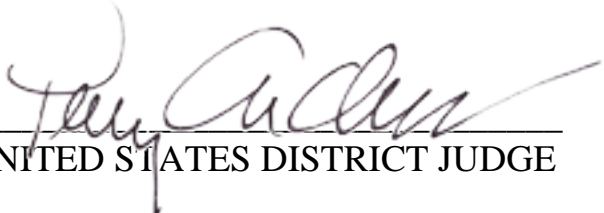
27  
28 **V.**

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
2 Consent is incorporated herein with the same force and effect as if fully set forth  
3 herein, and that Defendant shall comply with all of the undertakings and agreements  
4 set forth therein.

5 **VI.**

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  
8 Final Judgment.

9  
10 Dated: August 14, 2017

  
UNITED STATES DISTRICT JUDGE