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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

KAI CHRISTIAN PETERSEN; GIL
BESERGLIK; and RAZ BESERGLIK,

Defendants,

SHRAGA HOLDINGS, LTD. and
LEMBEX GLOBAL INVESTMENTS,
LTD.,

Relief Defendants

Case No. 2:19-cv-08334-JWH-RAOx

Hon. John W. Holcomb

**FINAL JUDGMENT AS TO
DEFENDANT RAZ BESERGLIK**

1 The Securities and Exchange Commission having filed a Complaint and
2 consented to the dismissal as to Defendant Raz Beserglik (“Defendant”) of the First,
3 Second, Seventh and Eighth Claims for Relief in the Complaint, but not the Fourth,
4 Fifth, and Sixth Claims for Relief in the Complaint; and Defendant having entered a
5 general appearance; consented to the Court’s jurisdiction over him and the subject
6 matter of this action; consented to entry of this Final Judgment without admitting or
7 denying the factual allegations of the Complaint (except as to jurisdiction and except
8 as otherwise provided herein); waived findings of fact and conclusions of law; and
9 waived any right to appeal from this Final Judgment:

10 I.

11 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
12 permanently restrained and enjoined from violating Section 5 of the Securities Act
13 [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable
14 exemption:

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

19 (b) Unless a registration statement is in effect as to a security,
20 carrying or causing to be carried through the mails or in interstate commerce,
21 by any means or instruments of transportation, any such security for the
22 purpose of sale or for delivery after sale; or

23 (c) Making use of any means or instruments of transportation or
24 communication in interstate commerce or of the mails to offer to sell or offer to
25 buy through the use or medium of any prospectus or otherwise any security,
26 unless a registration statement has been filed with the Commission as to such
27 security, or while the registration statement is the subject of a refusal order or
28 stop order or (prior to the effective date of the registration statement) any

1 public proceeding or examination under Section 8 of the Securities Act [15
2 U.S.C. § 77h].

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

9 II.

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

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

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that that
3 Defendant is permanently restrained and enjoined from , directly or indirectly, unless
4 Defendant is registered with the SEC in accordance with Section 15(b) of the
5 Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78o(b)], and in
6 the absence of any applicable exemption, acting as a broker-dealer in the United
7 States or otherwise making use of the mails or any means or instrumentality of
8 interstate commerce to effect any transactions in, or to induce or attempt to induce the
9 purchase or sale of, binary options or any other security (other than an exempted
10 security or commercial paper, bankers’ acceptances, or commercial bills) in the
11 United States, in violation of Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

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

18 IV.

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
20 pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Defendant
21 is permanently restrained and enjoined from directly or indirectly, including but not
22 limited to, through any entity he owns, operates, manages or controls, engaging in
23 any activity for the purpose of: (a) inducing or attempting to induce the purchase or
24 sale of binary options, securities-based swaps, or other securities, over the Internet or
25 via email or other forms of electronic communication; (b) causing any person or
26 entity to engage in any activity for the purpose of inducing or attempting to induce
27 the purchase or sale of binary options, securities-based swaps, or other securities,
28 over the Internet or via email or other forms of electronic communication; or

1 (c) deriving compensation from any activity inducing or attempting to induce the
2 purchase or sale of binary options, securities-based swaps, or other securities, over
3 the Internet or via email or other forms of electronic communication. This injunction,
4 however, shall not prohibit Defendant from buying or selling securities for his own
5 personal account.

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

12 V.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant is liable for disgorgement of \$2,000,000, representing net profits gained as
15 a result of the conduct alleged in the Complaint, together with prejudgment interest
16 thereon in the amount of \$86,421, and a civil penalty in the amount of \$465,000
17 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
18 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall
19 satisfy this obligation by paying \$2,551,421 to the Securities and Exchange
20 Commission pursuant to the terms of the payment schedule set forth in paragraph VI
21 below after entry of this Final Judgment.

22 Defendant may transmit payment electronically to the Commission, which will
23 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also
24 be made directly from a bank account via Pay.gov through the SEC website at
25 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
26 check, bank cashier's check, or United States postal money order payable to the
27 Securities and Exchange Commission, which shall be delivered or mailed to
28

1 Enterprise Services Center
2 Accounts Receivable Branch
3 6500 South MacArthur Boulevard
4 Oklahoma City, OK 73169

5 and shall be accompanied by a letter identifying the case title, civil action number,
6 and name of this Court; Raz Beserglik as a defendant in this action; and specifying
7 that payment is made pursuant to this Final Judgment.

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

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

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

24 The Commission may propose a plan to distribute the Fund subject to the
25 Court's approval. Such a plan may provide that the Fund shall be distributed
26 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
27 2002. The Court shall retain jurisdiction over the administration of any distribution
28 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

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

18 VI.

19 Defendant shall pay the total of disgorgement, prejudgment interest, and
20 penalty due of \$2,551,421 in installments to the Commission according to the
21 following schedule: (1) at least \$100,000, within forty-five days of entry of this Final
22 Judgment; (2) \$550,000 by March 31, 2023; (3) \$800,000 by November 30, 2023;
23 (4) \$400,000 by March 31, 2024; and (5) the remaining amount due (consisting of no
24 less than \$701,421 and any post judgment interest as provided for below) paid within
25 four years from the entry of this Final Judgment. Payments shall be deemed made on
26 the date they are received by the Commission and shall be applied first to post
27 judgment interest, which accrues pursuant to 28 U.S.C. § 1961 on any unpaid
28 amounts due after 30 days of the entry of Final Judgment. Payments from Defendant

1 will then apply to paying off the penalty amount. Once Defendant fully satisfies the
2 penalty amount, additional payments will apply to satisfying Defendant's
3 disgorgement and prejudgment interest obligations. Prior to making the final
4 payment set forth herein, Defendant shall contact the Commission's staff for the
5 amount due for the final payment.

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

11 VII.

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

16 VIII.

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

IX.

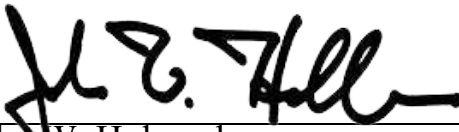
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the First, Second, Seventh and Eighth Claims for Relief are dismissed as to Defendant with prejudice.

X.

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

IT IS SO ORDERED.

Dated: April 20, 2021



John W. Holcomb
UNITED STATES DISTRICT JUDGE