

JS-6

1 **UNITED STATES DISTRICT COURT**
 2 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

3 UNITED STATES SECURITIES AND
 4 EXCHANGE COMMISSION,

Case No.: **2:20-mc-0003-AB-AS**

5 Plaintiff/Applicant,

~~[PROPOSED]~~ **FINAL**
JUDGMENT AS TO LARRY M.
PHILLIPS

6 v.

7 LARRY M. PHILLIPS,

8 Defendant/Respondent,
 9

10 THIS MATTER comes before the Court on the Plaintiff/Petitioner's
 11 Application for an order compelling Respondent Larry M. Phillips (“Phillips” or
 12 “Respondent”) to show cause why a judgment should not be entered against him
 13 pursuant to Section 21(e) of the Securities Exchange Act of 1934 (the “Exchange
 14 Act”), 15 U.S.C. § 78u(e)(1).
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17 It is **ORDERED, ADJUDGED AND DECREED** that judgment is
 18 entered in favor of the United States Securities and Exchange Commission (the
 19 “Commission”) against Defendant Phillips for disgorgement in the amount of
 20 \$25,295, plus prejudgment interest of \$3,142.69 and all accrued post-order
 21 interest through the entry of this Final Judgment.
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24 It is further **ORDERED, ADJUDGED AND DECREED** that judgment
 25 is entered in favor of the United States Securities and Exchange Commission
 26 against Defendant Phillips for a civil monetary penalty in the amount of
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1 \$300,000, plus all accrued post-order interest through the entry of this Final
2 Judgment.

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4 It is further **ORDERED, ADJUDGED AND DECREED** that the amounts
5 awarded herein shall be subject to post-judgment interest, pursuant to § 28 U.S.C.
6 1961, from the date of this Final Judgment until the date all amounts owed have
7
8 been paid.

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

18
19 Enterprise Services Center
20 Accounts Receivable Branch
21 6500 South MacArthur Boulevard
22 Oklahoma City, OK 73169

23 and shall be accompanied by a letter identifying the case title, civil action number,
24 and name of this Court; the name of the defendant in this action; and specifying
25 that payment is made pursuant to this Final Judgment.

26 It is further **ORDERED, ADJUDGED AND DECREED** that Defendant
27 shall simultaneously transmit photocopies of evidence of payment and case
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1 identifying information to the Commission's counsel in this action. By making
2 this payment, Defendant relinquishes all legal and equitable right, title, and
3 interest in such funds and no part of the funds shall be returned to Defendant.
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5 It is further **ORDERED, ADJUDGED AND DECREED** that the non-
6 monetary terms of the Commission's Administrative Order rendered against
7 Defendant on December 15, 2016 are fully incorporated herein and subject to
8 enforcement through this Final Judgment. Accordingly, it is hereby further
9 **ORDERED** that:
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12 (a) Defendant shall cease and desist from committing or causing any
13 violations and any future violations of Section 17(a) of the Securities Act of 1933
14 (the "Securities Act") and Sections 10(b) of the Exchange Act and Rule 10b-5
15 thereunder;
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17 (b) Defendant shall be, and hereby is: (i) barred from association with any
18 broker, dealer, investment adviser, municipal securities dealer, municipal advisor,
19 transfer agent, or nationally recognized statistical rating organization; (ii)
20 prohibited from serving or acting as an employee, officer, director, member of an
21 advisory board, investment adviser or depositor of, or principal underwriter for, a
22 registered investment company or affiliated person of such investment adviser,
23 depositor, or principal underwriter; and (iii) barred from participating in any
24 offering of a penny stock, including: acting as a promoter, finder, consultant, agent
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1 or other person who engages in activities with a broker, dealer, or issuer for
2 purposes of the issuance or trading in any penny stock or inducing or attempting to
3 induce the purchase or sale of any penny stock; and
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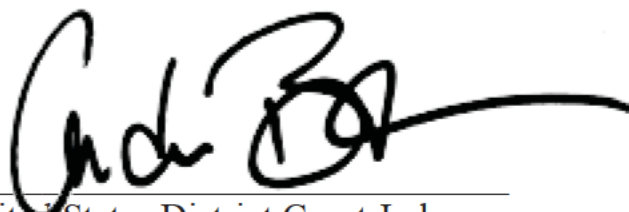
5 (c) Any reapplication for association by Defendant will be subject to the
6 applicable laws and regulations governing the reentry process, and reentry may be
7 conditioned upon a number of factors, including, but not limited to, the satisfaction
8 of any or all of the following: (a) any disgorgement ordered against Phillips,
9 whether or not the Commission has fully or partially waived payment of such
10 disgorgement; (b) any arbitration award related to the conduct that served as the
11 basis for the Commission order; (c) any self-regulatory organization arbitration
12 award to a customer, whether or not related to the conduct that served as the basis
13 for the Commission order; and (d) any restitution order by a self-regulatory
14 organization, whether or not related to the conduct that served as the basis for the
15 Commission order.
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20 It is further **ORDERED, ADJUDGED AND DECREED** that the Court
21 shall retain jurisdiction over this action for all purposes, including to implement
22 and enforce the terms of this Final Judgment; and all other orders and decrees
23 which may have been or may be entered in this case, and to grant such relief as
24 this Court may deem necessary and just.
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26 It is further **ORDERED, ADJUDGED, AND DECREED** that, solely for
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1 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy
2 Code, 11 U.S.C. §523, the allegations in the application are true and admitted by
3 Defendant, and further, any debt for disgorgement, civil penalty or other amounts
4 due by Defendants under this Final Judgment or any other judgment, order,
5 consent order, decree or settlement agreement entered in connection with this
6 proceeding, is a debt for the violation of the federal securities laws or any
7 regulation or order issued under such laws, as set forth in Section 523(a)(19) of the
8 Bankruptcy Code, 11 U.S.C. §523(a)(19).

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13 Dated this 11th day of March, 2020



United States District Court Judge

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16 Presented by:

17 /s/ Shuman Sohrn
18 Shuman Sohrn (*pro hac vice* pending)
19 Attorney for U.S. Securities and
20 Exchange Commission
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