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NOTE CHANGES MADE BY COURT

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

DAVID HOWARD WELCH,
MARC JAY BRYANT,
JOHN CHARLES KNIGHT,
PERRY DOUGLAS WEST,
BIO-GLOBAL RESOURCES, INC.,
DIVERSIFIED EQUITIES, INC.,
DIVERSIFIED EQUITIES
DEVELOPMENT, INC.,
and NEW GLOBAL ENERGY, INC.,

Defendants.

Case No. EDCV 17-1968-JFW (AGRx)

**FINAL JUDGMENT AS TO
DAVID HOWARD WELCH,
MARC JAY BRYANT,
BIO-GLOBAL RESOURCES, INC.,
AND DIVERSIFIED EQUITIES
DEVELOPMENT, INC.**

In accordance with the Court’s Order Granting Motion for Default Judgment Against Defendants David Howard Welch, Marc Jay Bryant, Bio-Global Resources, Inc., and Diversified Equities Development, Inc., dated June 11, 2018 [Docket No. 61], judgment is entered on the motion of the Securities and Exchange Commission (“SEC” or “Commission”) for default judgments against Defendants David Howard

Judgment as to Welch, Bryant, Bio-Global and Diversified Equities Development, Inc.

1 Welch, Marc Jay Bryant, Bio-Global Resources, Inc., and Diversified Equities
2 Development, Inc.

3 **I.**

4 IT IS ORDERED, ADJUDGED, AND DECREED that Defendants David
5 Howard Welch, Marc Jay Bryant, Bio-Global Resources, Inc., and Diversified
6 Equities Development, Inc. are permanently restrained and enjoined from violating
7 Section 5 of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77e] by,
8 directly or indirectly, in the absence of any applicable exemption:

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

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

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

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

1 anyone described in (a).

2 **II.**

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
4 David Howard Welch, Marc Jay Bryant, Bio-Global Resources, Inc., and Diversified
5 Equities Development, Inc. are each permanently restrained and enjoined from
6 violating, directly or indirectly, Section 15(a) of the Securities Exchange Act of 1934
7 (the “Exchange Act”) [15 U.S.C. § 78o(a)] by making use of the mails or any means
8 or instrumentality of interstate commerce to effect any transactions in, or to induce or
9 attempt to induce the purchase or sale of, any security, without being registered as a
10 broker and/or dealer pursuant to Section 15(b) of the Exchange Act [15 U.S.C. §
11 78o(b)] or while Defendants are not associated with an entity registered with the
12 Commission as a broker or dealer.

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

19 **III.**

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
21 David Howard Welch and Marc Jay Bryant are permanently restrained and enjoined
22 from violating, directly or indirectly, Section 20(b) of the Exchange Act [15 U.S.C. §
23 78t(b)], by committing violations of the broker and dealer registration provisions of
24 Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)], through or by means of other
25 persons.

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

1 otherwise: (a) Defendants Howard Welch's and Marc Jay Bryant's officers, agents,
2 servants, employees, and attorneys; and (b) other persons in active concert or
3 participation with Defendants Howard Welch or Marc Jay Bryant or with anyone
4 described in (a).

5 **IV.**

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants David
7 Howard Welch, Marc Jay Bryant, Bio-Global Resources, Inc., and Diversified
8 Equities Development, Inc. are permanently barred from participating in an offering
9 of penny stock, including engaging in activities with a broker, dealer, or issuer for
10 purposes of issuing, trading, or inducing or attempting to induce the purchase or sale
11 of any penny stock. A penny stock is any equity security that has a price of less than
12 five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. §
13 240.3a51-1].

14 **V.**

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
16 David Howard Welch and Bio-Global Resources, Inc. are liable jointly and severally
17 for disgorgement of \$1,321,821.00, representing ill-gotten gains obtained as a result
18 of the conduct alleged in the Complaint, plus prejudgment interest thereon in the
19 amount of \$151,243.97, for a total of \$1,473,064.97. It is further ordered, adjudged
20 and decreed that Defendants David Howard Welch and Bio-Global Resources, Inc.
21 are each liable for a civil penalty in the amount of \$1,321,821.00 pursuant to Section
22 20(d)(2)(B) of the Securities Act and Section 21(d)(3)(B)(ii) of the Exchange Act [15
23 U.S.C. §§ 77t(d)(2)(B) and 78u(d)(3)(B)(ii)]. Defendants David Howard Welch and
24 Bio-Global Resources, Inc. shall satisfy these obligations by paying jointly and
25 severally disgorgement and prejudgment interest totaling \$1,473,064.97, and each
26 paying separately a civil penalty of \$1,321,821.00 to the SEC within 14 days after
27 entry of this Judgment.

28 **VI.**

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
2 Marc Jay Bryant is liable for disgorgement of \$2,471,126.92, representing ill-gotten
3 gains obtained as a result of the conduct alleged in the Complaint, plus prejudgment
4 interest thereon in the amount of \$455,358.22, and a civil penalty in the amount of
5 \$2,471,126.92, pursuant to Section 20(d)(2)(B) of the Securities Act and Section
6 21(d)(3)(B)(ii) of the Exchange Act [15 U.S.C. §§ 77t(d)(2)(B) and 78u(d)(3)(B)(ii)],
7 for a total of \$5,397,612.06. Defendant Marc Jay Bryant shall satisfy these
8 obligations by paying \$5,397,612.06 to the SEC within 14 days after entry of this
9 Judgment.

10 VII.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
12 Marc Jay Bryant, in addition to the amounts ordered above in Section VI, and
13 Defendant Diversified Equities Development, Inc. are liable jointly and severally for
14 disgorgement of \$1,977,735.85, representing ill-gotten gains obtained as a result of
15 the conduct alleged in the Complaint, plus prejudgment interest thereon in the amount
16 of \$245,099.11, for a total of \$2,222,834.96. It is further ordered, adjudged and
17 decreed that Defendants Marc Jay Bryant and Diversified Equities Development, Inc.
18 are each liable for a civil penalty in the amount of \$1,977,735.85, pursuant to Section
19 20(d)(2)(B) of the Securities Act and Section 21(d)(3)(B)(ii) of the Exchange Act [15
20 U.S.C. § 77t(d)(2)(B) and 78u(d)(3)(B)(ii)]. Defendants Marc Jay Bryant and
21 Diversified Equities Development, Inc. shall satisfy these obligations by paying
22 jointly and severally disgorgement and prejudgment interest totaling \$2,222,834.96,
23 and each paying separately a civil penalty of \$1,977,735.85 to the SEC within 14
24 days after entry of this Judgment.

25 VIII.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
27 may transmit payment electronically to the SEC, which will provide detailed ACH
28 transfer/Fedwire instructions upon request. Payment may also be made directly from

1 a bank account via Pay.gov through the SEC website at
2 <http://www.sec.gov/about/offices/ofm.htm>. Defendants may also pay by certified
3 check, bank cashier's check, or United States postal money order payable to the
4 Securities and Exchange Commission, which shall be delivered or mailed to:

5 Enterprise Service Center
6 Accounts Receivable Branch
7 6500 South MacArthur Boulevard
8 Oklahoma City, OK 73169

9 and shall be accompanied by a letter identifying the case title, civil action number,
10 and name of this Court; the name of the defendant making the payment in this action;
11 and specifying that payment is made pursuant to this Judgment.

12 Defendants shall simultaneously transmit photocopies of evidence of payment
13 and case identifying information to the SEC's counsel in this action. By making this
14 payment, Defendants relinquish all legal and equitable right, title, and interest in such
15 funds and no part of the funds shall be returned to Defendants.

16 The SEC may enforce the Court's the portion of this Judgment for
17 disgorgement and prejudgment interest by moving for civil contempt (and/or through
18 other collection procedures authorized by law) at any time after 14 days following
19 entry of this Judgment. Defendants shall pay post-judgment interest on any
20 delinquent amounts pursuant to 28 U.S.C. § 1961. The SEC shall hold the funds,
21 together with any interest and income earned thereon (collectively, the "Fund"),
22 pending further order of the Court.

23 The SEC may propose a plan to distribute the Fund subject to the Court's
24 approval. Such a plan may provide that the Fund shall be distributed pursuant to the
25 Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The
26 Court shall retain jurisdiction over the administration of any distribution of the Fund.
27 If the SEC staff determines that the Fund will not be distributed, the SEC shall send
28 the funds paid pursuant to this Judgment to the United States Treasury.

Regardless of whether any such Fair Fund distribution is made, amounts

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

18 **IX.**

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
20 shall retain jurisdiction of this matter for purposes of enforcing the terms of this
21 Judgment.
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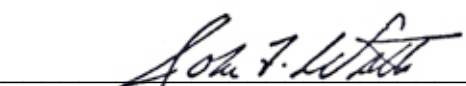
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There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

IT IS SO ORDERED.

DATED: June 18, 2018.



JOHN F. WALTER
UNITED STATES DISTRICT JUDGE