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

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11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 vs.

14 ANTHONY TODD JOHNSON, et al.,

15 Defendants.
16
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Case No. 5:20-cv-01493-MCS-SHK

**~~PROPOSED~~ FINAL JUDGMENT AS
TO DEFENDANTS CHARLES LLOYD
AND LLOYD MARKETING, LLC**

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19 The Securities and Exchange Commission having filed a Complaint and
20 Defendants Charles Lloyd (“Lloyd”) and Lloyd Marketing, LLC (“Lloyd Marketing”
21 (collectively “Defendants”) having entered a general appearance; consented to the
22 Court’s jurisdiction over Defendants and the subject matter of this action; consented
23 to entry of this Judgment without admitting or denying the allegations of the
24 Complaint (except as to jurisdiction and except as otherwise provided herein in
25 paragraph VII); waived findings of fact and conclusions of law; and waived any right
26 to appeal from this Judgment:

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1 I.

2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Lloyd is
3 permanently restrained and enjoined from violating, directly or indirectly, Section
4 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
5 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
6 any means or instrumentality of interstate commerce, or of the mails, or of any
7 facility of any national securities exchange, in connection with the purchase or sale of
8 any security:

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

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 Judgment by personal service or
18 otherwise: (a) Lloyd’s officers, agents, servants, employees, and attorneys; and
19 (b) other persons in active concert or participation with Lloyd or with anyone
20 described in (a).

21 II.

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

- 27 (a) to employ any device, scheme, or artifice to defraud;
28 (b) to obtain money or property by means of any untrue statement of a

1 material fact or any omission of a material fact necessary in order to
2 make the statements made, in light of the circumstances under which
3 they were made, not misleading; or

- 4 (c) to engage in any transaction, practice, or course of business which
5 operates or would operate as a fraud or deceit upon the purchaser.

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 Judgment by personal service or
9 otherwise: (a) Lloyd's officers, agents, servants, employees, and attorneys; and
10 (b) other persons in active concert or participation with Lloyd or with anyone
11 described in (a).

12 III.

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

- 17 (a) Unless a registration statement is in effect as to a security, making use of
18 any means or instruments of transportation or communication in
19 interstate commerce or of the mails to sell such security through the use
20 or medium of any prospectus or otherwise;
- 21 (b) Unless a registration statement is in effect as to a security, carrying or
22 causing to be carried through the mails or in interstate commerce, by any
23 means or instruments of transportation, any such security for the purpose
24 of sale or for delivery after sale; or
- 25 (c) Making use of any means or instruments of transportation or
26 communication in interstate commerce or of the mails to offer to sell or
27 offer to buy through the use or medium of any prospectus or otherwise
28 any security, unless a registration statement has been filed with the

1 Commission as to such security, or while the registration statement is the
2 subject of a refusal order or stop order or (prior to the effective date of
3 the registration statement) any public proceeding or examination under
4 Section 8 of the Securities Act [15 U.S.C. § 77h].

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

11 IV.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
13 Defendants are permanently restrained and enjoined from violating, directly or
14 indirectly, Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a), which makes it
15 unlawful for any broker or dealer which is either a person other than a natural person
16 or a natural person, to make use of the mails or any means or instrumentality of
17 interstate commerce to effect any transactions in, or to induce or attempt to induce the
18 purchase or sale of, any security (other than an exempted security or commercial
19 paper, bankers' acceptances, or commercial bills) unless such broker or dealer is
20 registered in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

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

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1 V.

2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
3 Lloyd shall pay disgorgement in the amount of \$533,253.00 together with
4 prejudgment interest in the amount of \$78,370.00, for a total of \$611,623.00 and that
5 Lloyd Marketing shall pay, jointly and severally with Lloyd, disgorgement in the
6 amount of \$265,016.00, together with prejudgment interest in the amount of
7 \$43,400.00, for a total of \$308,416.00, all of which represents net profits gained as a
8 result of the conduct alleged in the Complaint, which the Court finds is for the benefit
9 of investors. The Court further imposes a civil penalty against Lloyd in the amount
10 of \$195,047.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]
11 and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendants shall
12 satisfy these obligations by paying for aforementioned sums to the Securities and
13 Exchange Commission with 30 days after entry of this Final Judgment.

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

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

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

27 Defendants shall simultaneously transmit photocopies of evidence of payment
28 and case identifying information to the Commission's counsel in this action. By

1 making this payment, Defendants relinquish all legal and equitable right, title, and
2 interest in such funds and no part of the funds shall be returned to Defendants.

3 The Commission may enforce the Court’s judgment for disgorgement and
4 prejudgment interest by using all collection procedures authorized by law, including,
5 but not limited to, moving for civil contempt at any time after 30 days following entry
6 of this Final Judgment. The Commission may enforce the Court’s judgment for
7 penalties by the use of all collection procedures authorized by law, including the
8 Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for
9 civil contempt for the violation of any Court orders issued in this action.

10 Defendants shall pay post judgment interest on any amounts due after 30 days
11 of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

12 The Commission shall hold the funds (collectively, the “Fund”) until further
13 order of this Court. The SEC may propose a plan to distribute the Fund subject to the
14 Court’s approval, and the Court shall retain jurisdiction over the administration of
15 any distribution of the Fund.

16 The Commission may propose a plan to distribute the Fund subject to the
17 Court’s approval. Such a plan may provide that the Fund shall be distributed
18 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
19 2002. The Court shall retain jurisdiction over the administration of any distribution
20 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

21 Regardless of whether any such Fair Fund distribution is made, amounts
22 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
23 penalties paid to the government for all purposes, including all tax purposes. To
24 preserve the deterrent effect of the civil penalty, Defendants shall not, after offset or
25 reduction of any award of compensatory damages in any Related Investor Action
26 based on Defendants’ payment of disgorgement in this action, argue that they are
27 entitled to, nor shall they further benefit by, offset or reduction of such compensatory
28 damages award by the amount of any part of Defendants’ payment of a civil penalty

1 in this action (“Penalty Offset”). If the court in any Related Investor Action grants
2 such a Penalty Offset, Defendants shall, within 30 days after entry of a final order
3 granting the Penalty Offset, notify the Commission’s counsel in this action and pay
4 the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as
5 the Commission directs. Such a payment shall not be deemed an additional civil
6 penalty and shall not be deemed to change the amount of the civil penalty imposed in
7 this Judgment. For purposes of this paragraph, a “Related Investor Action” means a
8 private damages action brought against Defendants by or on behalf of one or more
9 investors based on substantially the same facts as alleged in the Complaint in this
10 action.

11 VI.

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

16 VII.

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
20 Defendants, and further, any debt for disgorgement, prejudgment interest, civil
21 penalty or other amounts due by Defendants under this Judgment or any other
22 judgment, order, consent order, decree or settlement agreement entered in connection
23 with this proceeding, is a debt for the violation by Defendants of the federal securities
24 laws or any regulation or order issued under such laws, as set forth in Section
25 523(a)(19) of the Bankruptcy Code. 11 U.S.C. §523(a)(19).

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VIII.

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 Judgment.

IX.

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 Final Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: November 24, 2021



MARK C. SCARSI
UNITED STATES DISTRICT JUDGE