

1 DAVID J. VAN HAVERMAAT, Cal. Bar No. 175761  
 Email: vanhavermaatd@sec.gov  
 2 PETER F. DEL GRECO, Cal. Bar No. 164925  
 Email: delgreco@sec.gov

3 Attorneys for Plaintiff  
 4 Securities and Exchange Commission  
 Michele Wein Layne, Regional Director  
 5 John W. Berry, Associate Regional Director  
 444 S. Flower Street, Suite 900  
 6 Los Angeles, California 90071  
 Telephone: (323) 965-3998  
 7 Facsimile: (213) 443-1904

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

10 **SECURITIES AND EXCHANGE**  
 11 **COMMISSION,**

12 Plaintiff,

13 vs.

14 **DEDICATED SOUND AND AUDIO,**  
 15 **INC., STEVEN VENTRE, ERIC**  
**LOVY and CHOICE EQUITY,**

16 Defendants.

Case No.: 8:18-cv-323-AG (AGRx)

**FINAL JUDGMENT AS TO**  
**DEFENDANTS ERIC LOVY AND**  
**CHOICE EQUITY**

1 The Securities and Exchange Commission (“SEC” or “Commission”) having  
2 filed a Complaint and Defendants Eric Lovy f/k/a Eric Beltran (“Lovy”) and Choice  
3 Equity (collectively “Defendants”) having entered general appearances; consented to  
4 the Court’s jurisdiction over Defendants and the subject matter of this action;  
5 consented to entry of this Final Judgment without admitting or denying the  
6 allegations of the Complaint (except as to jurisdiction and except as otherwise  
7 provided herein in paragraph VII); waived findings of fact and conclusions of law;  
8 and waived any right to appeal from this Final Judgment:

9 **I.**

10 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant  
11 Lovy is permanently restrained and enjoined from violating, directly or indirectly,  
12 Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15  
13 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by  
14 using any means or instrumentality of interstate commerce, or of the mails, or of any  
15 facility of any national securities exchange, in connection with the purchase or sale of  
16 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  
20 of the 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) Lovy’s officers, agents, servants, employees, and attorneys;  
27 and (b) other persons in active concert or participation with Lovy or with anyone  
28 described in (a).

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**II.**

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

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

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

**III.**

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

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

- 1 (b) Unless a registration statement is in effect as to a security, carrying or  
2 causing to be carried through the mails or in interstate commerce, by any  
3 means or instruments of transportation, any such security for the purpose  
4 of sale or for delivery after sale; or
- 5 (c) Making use of any means or instruments of transportation or  
6 communication in interstate commerce or of the mails to offer to sell or  
7 offer to buy through the use or medium of any prospectus or otherwise  
8 any security, unless a registration statement has been filed with the  
9 Commission as to such security, or while the registration statement is the  
10 subject of a refusal order or stop order or (prior to the effective date of  
11 the registration statement) any public proceeding or examination under  
12 Section 8 of the Securities Act [15 U.S.C. § 77h].

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 Final Judgment by personal  
16 service or otherwise: (a) Defendants' officers, agents, servants, employees, and  
17 attorneys, and (b) other persons in active concert or participation with Defendants or  
18 with anyone described in (a).

19 **IV.**

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
21 Defendants Lovy and Choice Equity are permanently restrained and enjoined from  
22 violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C. §  
23 78o(a), which makes it unlawful for any broker or dealer which is either a person  
24 other than a natural person or a natural person, to make use of the mails or any means  
25 or instrumentality of interstate commerce to effect any transactions in, or to induce or  
26 attempt to induce the purchase or sale of, any security (other than an exempted  
27 security or commercial paper, bankers' acceptances, or commercial bills) unless such  
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1 broker or dealer is registered in accordance with Section 15(b) of the Exchange Act,  
2 15 U.S.C. § 78o(b).

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) Defendants' officers, agents, servants, employees, and  
7 attorneys; and (b) other persons in active concert or participation with Defendants or  
8 with anyone described in (a).

9 V.

10 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that:

11 (i) Lovy is liable for disgorgement of \$870,850, representing profits gained  
12 as a result of the conduct alleged in the Complaint, together with prejudgment interest  
13 thereon in the amount of \$93,510, and a civil penalty in the amount of \$870,850  
14 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange  
15 Act. Lovy shall satisfy these obligations by paying \$1,835,210 to the Securities and  
16 Exchange Commission within 14 days after entry of this Final Judgment; and

17 (ii) Choice Equity is liable for disgorgement of \$689,530, representing  
18 profits gained as a result of the conduct alleged in the Complaint, together with  
19 prejudgment interest thereon in the amount of \$74,040, and a civil penalty in the  
20 amount of \$160,000 pursuant to Section 20(d) of the Securities Act and Section  
21 21(d)(3) of the Exchange Act. Choice Equity shall satisfy these obligations by  
22 paying \$923,570 to the Securities and Exchange Commission within 14 days after  
23 entry of this Final Judgment.

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

1 Securities and Exchange Commission, which shall be delivered or mailed to  
2 Enterprise Services Center  
3 Accounts Receivable Branch  
4 6500 South MacArthur Boulevard  
5 Oklahoma City, OK 73169

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

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

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

19 The Commission may enforce the Court's judgment for disgorgement and  
20 prejudgment interest by moving for civil contempt (and/or through other collection  
21 procedures authorized by law) at any time after 14 days following entry of this Final  
22 Judgment. Defendant shall pay post judgment interest on any delinquent amounts  
23 pursuant to 28 U.S.C. § 1961.

## 24 VI.

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
26 Consent of Defendants Eric Lovy and Choice Equity to Entry of Final Judgment is  
27 incorporated herein with the same force and effect as if fully set forth herein, and that  
28 Defendants shall comply with all of the undertakings and agreements set forth

1 therein.

2 **VII.**

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for  
4 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,  
5 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendants,  
6 and further, any debt for disgorgement, prejudgment interest, civil penalty or other  
7 amounts due by Defendants under this Final Judgment or any other judgment, order,  
8 consent order, decree or settlement agreement entered in connection with this  
9 proceeding, is a debt for the violation by Defendants of the federal securities laws or  
10 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of  
11 the Bankruptcy Code, 11 U.S.C. §523(a)(19).

12 **VIII.**

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

16 **IX.**

17 There being no just reason for delay, pursuant to Rule 54(b) of the Federal  
18 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith  
19 and without further notice.



20 Dated: March 02, 2018

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22 HON. ANDREW J. GUILFORD  
23 UNITED STATES DISTRICT JUDGE  
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