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

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SECURITIES AND EXCHANGE
COMMISSION,

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Plaintiff,

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vs.

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GUY SCOTT GRIFFITHE, and
ROBERT WILLIAM RUSSELL,

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Defendants.

Case No. 8:20-cv-00124-DOC-JDE

**FINAL JUDGMENT AS TO
DEFENDANT ROBERT WILLIAM
RUSSELL**

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The Securities and Exchange Commission (“Commission”) having filed a Complaint and Robert William Russell (“Defendant”) having entered a general appearance, consented to the Court’s jurisdiction over Defendant and the subject matter of this action, consented to entry of the Judgment dated June 21, 2021 (“Judgment,” which is incorporated herein) without admitting or denying the allegations of the Complaint except as to jurisdiction and except as otherwise provided in Paragraph III of the Judgment, and upon motion of the Commission for entry of final judgment ordering disgorgement and civil money penalties the Court finds that:

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I.

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IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange

1 Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R.
2 § 240.10b-5], by using any means or instrumentality of interstate commerce, or of
3 the mails, or of any facility of any national securities exchange, in connection with
4 the purchase or sale of any security:

5 (a) to employ any device, scheme, or artifice to defraud;

6 (b) to make any untrue statement of a material fact or to omit to
7 state a material fact necessary in order to make the statements made, in the
8 light of the circumstances under which they were made, not misleading; or

9 (c) to engage in any act, practice, or course of business which
10 operates or would operate as a fraud or deceit upon any person.

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

17 **II.**

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND
19 DECREED that Defendant is permanently restrained and enjoined from violating
20 Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §
21 77q(a)] in the offer or sale of any security by the use of any means or instruments
22 of transportation or communication in interstate commerce or by use of the mails,
23 directly or indirectly:

24 (a) to employ any device, scheme, or artifice to defraud;

25 (b) to obtain money or property by means of any untrue statement
26 of a material fact or any omission of a material fact necessary in order to
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1 make the statements made, in light of the circumstances under which they
2 were made, not misleading; or

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

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

11 **III.**

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
13 the Consent executed by Defendant on May 3, 2021 and filed on the case docket
14 as Document No 72-1 is incorporated herein with the same force and effect as if
15 fully set forth herein, and that Defendant shall comply with all of the undertakings
16 and agreements set forth therein.

17 **IV.**

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

2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND
3 DECREED that Defendant is liable for disgorgement of \$275,153.90 representing
4 net profits gained as a result of the conduct alleged in the Complaint, together with
5 prejudgment interest thereon in the amount of \$44,190.38 and a civil penalty in the
6 amount of \$378,888.93 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §
7 77t(d)(2)(C), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3)(B)
8 (iii). Defendant shall satisfy this obligation by paying \$698,232.56 to the Securities
9 and Exchange Commission within 30 days after entry of this Final Judgment.

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

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

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

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

1 Defendant.

2 The Commission may enforce the Court’s judgment for disgorgement and
3 pre-judgment interest by using all collection procedures authorized by law,
4 including, but not limited to, moving for civil contempt at any time after 30 days
5 following entry of this Final Judgment.

6 The Commission may enforce the Court’s judgment for penalties by the use
7 of all collection procedures authorized by law, including the Federal Debt
8 Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil
9 contempt for the violation of any Court orders issued in this action. Defendant
10 shall pay post judgment interest on any amounts due after 30 days of the entry of
11 this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the
12 funds, together with any interest and income earned thereon (collectively, the
13 “Fund”), pending further order of the Court.

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

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

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

11 **VI.**

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

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16 IT IS SO ORDERED.

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20 DAVID O. CARTER
21 United States District Judge
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24 Dated: November 18, 2021
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