

THE HONORABLE JOHN C. COUGHENOUR

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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

JOHN E. HARDY III,

Defendant.

CASE NO. C16-0400 JCC

FINAL JUDGMENT

The Securities and Exchange Commission having filed a Complaint and Defendant John E. Hardy, III having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

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

1 connection with the purchase or sale of any security:

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

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

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

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

13 II.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to
15 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited, for five
16 (5) years following the date of entry of this Final Judgment, from acting as an officer or director
17 of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act
18 [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act
19 [15 U.S.C. § 78o(d)].

20 III.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
22 liable for disgorgement of \$184,132, representing profits gained as a result of the conduct alleged
23 in the Complaint, together with prejudgment interest thereon in the amount of \$11,389, and a
24 civil penalty in the amount of \$184,132 pursuant to Section 21A of the Exchange Act [15 U.S.C.
25 § 78u-1]. Defendant shall satisfy this obligation by paying a total of \$379,653, plus applicable
26 post judgment interest, to the Securities and Exchange Commission pursuant to the terms of the

1 payment schedule set forth in paragraph IV below after entry of this Final Judgment.

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

8
9 Enterprise Services Center
10 Accounts Receivable Branch
11 6500 South MacArthur Boulevard
12 Oklahoma City, OK 73169

13 and shall be accompanied by a letter identifying the case title, civil action number, and
14 name of this Court; John E. Hardy, III as the defendant in this action; and specifying that
15 payment is made pursuant to this Final Judgment.

16 Defendant shall simultaneously transmit photocopies of evidence of payment and case
17 identifying information to the Commission's counsel in this action. By making payment as set
18 forth herein, Defendant relinquishes all legal and equitable right, title, and interest in such funds
19 and no part of the funds shall be returned to Defendant. The Commission shall send the funds
20 paid pursuant to this Final Judgment to the United States Treasury.

21 IV.

22 Defendant shall pay a total of \$379,653 to the Commission in disgorgement,
23 prejudgment interest, and penalty, plus applicable post judgment interest as set forth below, in
24 two installments according to the following schedule: (1) \$189,827, within 14 days of entry of
25 this Final Judgment, and (2) \$189,826, plus post judgment interest pursuant to 28 U.S.C. § 1961,
26 within 180 days of entry of this Final Judgment. Payments shall be deemed made on the date
they are received by the Commission. Prior to making the final payment set forth herein,

1 DATED this 29th day of March 2016.

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5 A handwritten signature in black ink, reading "John C. Coughenour", written over a horizontal line.

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8 John C. Coughenour
9 UNITED STATES DISTRICT JUDGE
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