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

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

SHE BEVERAGE COMPANY, INC.,  
LUPE L. ROSE, SONJA F. SHELBY  
AND KATHERINE E. DIRDEN,  
Defendants.

Case No. 2:21-cv-07339-CAS-ASx

**FINAL JUDGMENT AS TO**

**SHE BEVERAGE COMPANY, INC.**

Judge: Hon. Christina A. Snyder

Plaintiff Securities and Exchange Commission (“Plaintiff”) having filed a Complaint on September 14, 2021 and Defendant SHE Beverage Company, Inc. (“Defendant”) having been served and having failed to retain counsel pursuant to the Court’s November 1, 2022 order; the Court having issued an order to show cause on December 21, 2022 as to why default judgment against Defendant should not be entered; the clerk having entered default against Defendant for failing to retain counsel and respond to the court’s order to show cause on March 30, 2023; the Court having considered the entire record in this case, Plaintiff’s Motion for Default Judgment, Plaintiff’s Motion for Disgorgement, Prejudgment Interest, and Civil

1 Penalties, and all the pleadings and evidence submitted in support thereof; and the  
2 Court having determined that Defendant is not an infant or incompetent person and is  
3 not in the military service of the United States; and for good cause shown, the Court  
4 now enters the following Findings of Fact and Conclusions of Law, Order, and Final  
5 Judgment:

6 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

- 7 1. This Court has personal jurisdiction over Defendant.
- 8 2. This Court has subject matter jurisdiction over this action pursuant to  
9 Sections 20(b),20(d)(1) and 22(a) of the Securities Act of 1933 (“Securities  
10 Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1) & 77v(a), and Sections 21(d)(1),  
11 21(d)(3)(A), 21(e) and 27(a) of the Securities Exchange Act of 1934  
12 (“Exchange Act”), 15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) &  
13 78aa(a).
- 14 3. Venue is proper in this District.
- 15 4. Plaintiff is a proper party to bring this action seeking the relief sought in  
16 the Plaintiff’s Complaint.
- 17 5. Pursuant to Rule of the Federal Rules of Civil Procedure, Plaintiff has  
18 properly served Defendant with process, and Defendant received proper  
19 notice of this action.
- 20 6. Pursuant to Federal Rule of Civil Procedure 55(a), the Clerk of Court  
21 entered the Default of Defendant on March 30, 2023.
- 22 7. As of the date of this Order, Defendant has failed to retain counsel.
- 23 8. The Court finds that disgorgement of Defendant’s ill-gotten gains, along  
24 with prejudgment interest, is appropriate.
- 25 9. The Court incorporates the findings in its December 14, 2023 Minute  
26 Order, Dkt. No. 108.
- 27 10. The Court’s findings are based on the record of this case, Plaintiff’s  
28 Motion for Default Judgment and Request for Monetary Relief, Motion for

1 Disgorgement, Prejudgment Interest, and Civil Penalties, and all the  
2 evidence submitted in support thereof, including the declaration and the  
3 exhibits thereto. By perpetrating the fraudulent scheme alleged in the  
4 Complaint, Defendant violated Section 10(b) of the Exchange Act [15  
5 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];  
6 Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]; and Section 5 of  
7 the Securities Act [15 U.S.C. § 77e(a) and (c)].

8 **ORDER**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Plaintiff's  
10 Motion for Default Judgment and Motion for Disgorgement, Prejudgment Interest,  
11 and Civil Penalties is GRANTED.

12 **FINAL JUDGMENT**

13 **I.**

14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
15 permanently restrained and enjoined from violating, directly or indirectly, Section  
16 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §  
17 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using  
18 any means or instrumentality of interstate commerce, or of the mails, or of any facility  
19 of any national securities exchange, in connection with the purchase or sale of any  
20 security:

- 21 (a) to employ any device, scheme, or artifice to defraud;
- 22 (b) to make any untrue statement of a material fact or to omit to state a  
23 material fact necessary in order to make the statements made, in the  
24 light of the circumstances under which they were made, not misleading;
- 25 or
- 26 (c) to engage in any act, practice, or course of business which  
27 operates or would operate as a fraud or deceit upon any person.  
28

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

7 **II.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
9 permanently restrained and enjoined from violating, directly or indirectly, Section  
10 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the  
11 offer or sale of any security by the use of any means or instruments of transportation  
12 or communication in interstate commerce or by use of the mails, directly or  
13 indirectly:

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

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) Defendant’s officers, agents, servants, employees, and attorneys; and  
25 (b) other persons in active concert or participation with Defendant or with anyone  
26 described in (a).

1 **III.**

2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
3 permanently restrained and enjoined from violating Section 5 of the Securities Act  
4 [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable  
5 exemption:

- 6 (a) Unless a registration statement is in effect as to a security, making use of  
7 any means or instruments of transportation or communication in  
8 interstate commerce or of the mails to sell such security through the use  
9 or medium of any prospectus or otherwise;
- 10 (b) Unless a registration statement is in effect as to a security, carrying or  
11 causing to be carried through the mails or in interstate commerce, by  
12 any means or instruments of transportation, any such security for the  
13 purpose of sale or for delivery after sale; or
- 14 (c) Making use of any means or instruments of transportation or  
15 communication in interstate commerce or of the mails to offer to  
16 sell or offer to buy through the use or medium of any prospectus  
17 or otherwise any security, unless a registration statement has been  
18 filed with the Commission as to such security, or while the  
19 registration statement is the subject of a refusal order or stop  
20 order or (prior to the effective date of the registration statement)  
21 any public proceeding or examination under Section 8 of the  
22 Securities Act [15 U.S.C. § 77h].
- 23 (d) to engage in any act, practice, or course of business which  
24 operates or would operate as a fraud or deceit upon any person.

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

1 (b) other persons in active concert or participation with Defendant or with anyone  
2 described in (a).

3 **IV.**

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
5 Defendant is jointly and severally liable for disgorgement of \$12,021,500,  
6 representing net profits from the fraud, as well as \$738,774 in prejudgment interest.  
7 Defendant shall satisfy its obligations as described in this paragraph by paying the  
8 total amount for which it is liable to the Commission within 30 days after entry of this  
9 Final Judgment. Each side shall bear its own attorneys' fees and costs associated  
10 with this action.

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

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  
22 number, and name of this Court; SHE Beverage Company, Inc. as a defendant in this  
23 action; and specifying that payment is made pursuant to this Final Judgment.

24 Defendant shall simultaneously transmit photocopies of evidence of payment  
25 and case identifying information to the Commission's counsel in this action. By  
26 making this payment, Defendant relinquishes all legal and equitable right, title, and  
27 interest in such funds and no part of the funds shall be returned to Defendant.  
28

1 The Commission may enforce the Court’s judgment by moving for civil  
2 contempt (and/or through other collection procedures authorized by law) at any time  
3 after 30 days following entry of this Final Judgment. Defendant shall pay post  
4 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The  
5 Commission shall hold the funds, together with any interest and income earned  
6 thereon (collectively, the “Fund”), pending further order of the Court.

7 The Commission may propose a plan to distribute the Fund subject to the  
8 Court’s approval. Such a plan may provide that the Fund shall be distributed pursuant  
9 to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.  
10 The Court shall retain jurisdiction over the administration of any distribution of the  
11 Fund.

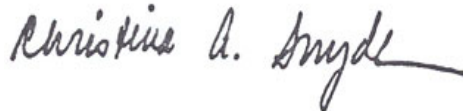
12 V.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court  
14 shall retain jurisdiction of this matter for the purpose of enforcing the terms of this  
15 Final Judgment. Each side shall bear its own attorneys’ fees and costs associated with  
16 this action.

17 VI.

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

21 Date: January 16, 2024



22 \_\_\_\_\_  
23 HON. CHRISTINA A. SNYDER  
24 UNITED STATES DISTRICT JUDGE  
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