

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

CASE NO. 8:12-cv-47-T-23MAP

TODD FARHA, et al.,

Defendants.

ORDER

The Securities and Exchange Commission sues (Doc. 1) several defendants for violating securities laws, and Paul Behrens consents (Doc. 26) to a judgment. In accord with the proposed consent judgment (Doc. 26-1), Behrens admits personal and subject-matter jurisdiction in this action and waives the right to appeal from the judgment.*

* Because the SEC's proposed "obey-the-law" provisions violate the Fifth Amendment's Due Process Clause, the Seventh Amendment, Rule 65(d) of the Federal Rules of Civil Procedure, and the separation of powers, this order declines to adopt the proposed "obey-the-law" provisions. *See S.E.C. v. Goble*, 682 F.3d 934, 948–52 (11th Cir. 2012); *S.E.C. v. Sky Way Global, LLC*, 710 F.Supp.2d 1274 (M.D. Fla. 2010) (citing *S.E.C. v. Smyth*, 420 F.3d 1225 (11th Cir. 2005)).

Behrens must not serve as an officer or a director of a securities issuer required to report under 15 U.S.C. § 78o(d) and must not serve as an officer or director of a securities issuer with a class of securities registered under 15 U.S.C. § 78(l).

Behrens must disgorge to the SEC \$3,500,000, which represents Behrens's profit from the conduct alleged in the complaint. Under 15 U.S.C. § 77t(d), § 78u(d)(3), and § 78u-1a, Behrens must pay the SEC an additional \$1,000,000 as a civil penalty. Behrens must pay to the SEC the \$4,500,000 no later than fourteen days after the clerk enters judgment. Behrens forfeits a right or title, whether legal or equitable, to the money.

Behrens may pay the judgment electronically, by certified check, by cashier's check, by transfer on Pay.gov, or by United States postal money order payable to the Securities and Exchange Commission. If Behrens pays electronically, the SEC must timely provide instruction about the ACH or Fedwire transfer. If Behrens pays with a negotiable instrument, Behrens must mail or deliver the negotiable instrument to:

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

A letter must accompany the negotiable instrument, which letter must state that "Behrens pays this money to reduce or to satisfy the judgment in Securities and Exchange Commission v. Paul Behrens, et al., 8:12-cv-47 in the United States

District Court for the Middle District of Florida.” Behrens must timely provide the SEC with proof of payment.

The SEC may distribute the money in accord with the “Fair Fund” provision in Section 308 of the Sarbanes-Oxley Act, may distribute the money through a “related investor action,” or may remit the money to the United States Treasury. “Related investor action” means an action by a private party for damages based on facts materially identical to the facts alleged in this action.

Behrens must not request a “penalty offset,” that is, a reduction in compensatory damages in a “related investor action” as a result of Behrens’s payment of compensatory damages in this action. But if another court grants a penalty offset and enters judgment against Behrens, within thirty days of the entry of judgment Behrens must notify the SEC about the penalty offset and must remit to the United States Treasury a payment equal to the amount of the penalty offset.

Also, Behrens must pay WellCare Health Plans, Inc., \$1,500,000 no later than fourteen days after entry of this order. Behrens must submit to the SEC proof of payment. Behrens forfeits a right or title, whether legal or equitable, to the money.

For the purpose of an exception to discharge in bankruptcy, Behrens admits the allegations in the complaint. A debt Behrens incurs from a disgorgement, penalty, payment, or judgment in this action is a debt for violating federal securities law.

No later than thirty days after the entry of this order, Behrens must send the SEC a written acknowledgment that Behrens read this order. Behrens must not request an attorney's fee, costs, or expenses under the Equal Access to Justice Act or another law.

The court retains jurisdiction to enforce and to modify this order.

The clerk is directed to enter judgment in the amount of \$4,500,000 for the Securities and Exchange Commission and against Paul Behrens.

ORDERED in Tampa, Florida, on April 17, 2017.



STEVEN D. MERRYDAY
UNITED STATES DISTRICT JUDGE