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 13 **UNITED STATES DISTRICT COURT**  
 14 **CENTRAL DISTRICT OF CALIFORNIA**

15 SECURITIES AND EXCHANGE  
 COMMISSION,  
 16 Plaintiff,  
 17 vs.  
 ROBERT “Lute” DAVIS, JR., et al.,  
 18 Defendants.  
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Case No.: 2:18-cv-10481-FMO-JC

**FINAL JUDGMENT AS TO  
 DEFENDANT RANDY T.  
 RONDBERG**

20 The Securities and Exchange Commission having filed a Complaint and Defendant  
 21 Randy T. Rondberg (“Rondberg” or “Defendant”) having entered a general appearance;  
 22 consented to the Court’s jurisdiction over Defendant and the subject matter of this action;  
 23 consented to entry of this Final Judgment without admitting or denying the allegations of the  
 24 Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived  
 25 any right to appeal from this Final Judgment:  
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I.

**PERMANENT INJUNCTIVE RELIEF**

A.

**Section 5 of the Securities Act of 1933 (“Securities Act”)**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant is 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;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].



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**II.**

**DISGORGEMENT AND PREJUDGMENT INTEREST**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant is liable for disgorgement of \$918,061.93, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$92,015.95, jointly and severally with Trager LLC; and a civil penalty in the amount of \$100,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$1,110,077.88 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

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

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

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

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

5 The Commission may enforce the Court's judgment for disgorgement and prejudgment  
6 interest by moving for civil contempt (and/or through other collection procedures authorized by  
7 law) at any time after 14 days following entry of this Final Judgment. Defendant shall pay post  
8 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. Amounts collected  
9 shall be applied first to disgorgement, then prejudgment interest, then civil penalty, until the  
10 disgorgement, prejudgment interest, and civil penalty amounts in this Final Judgment are fully  
11 satisfied; only then shall any amount be applied to post judgment interest. The Commission shall  
12 hold the funds, together with any interest and income earned thereon (collectively, the "Fund"),  
13 pending further order of the Court.  
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15 The Commission may propose a plan to distribute the Fund subject to the Court's  
16 approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund  
17 provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain  
18 jurisdiction over the administration of any distribution of the Fund. If the Commission staff  
19 determines that the Fund will not be distributed, the Commission shall send the funds paid  
20 pursuant to this Final Judgment to the United States Treasury.  
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22 Regardless of whether any such Fair Fund distribution is made, amounts ordered to be  
23 paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the  
24 government for all purposes, including all tax purposes. To preserve the deterrent effect of the  
25 civil penalty, Defendant shall not, after offset or reduction of any award of compensatory  
26 damages in any Related Investor Action based on Defendant's payment of disgorgement in this  
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1 action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such  
2 compensatory damages award by the amount of any part of Defendant’s payment of a civil  
3 penalty in this action (“Penalty Offset”). If the court in any Related Investor Action grants such  
4 a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty  
5 Offset, notify the Commission’s counsel in this action and pay the amount of the Penalty Offset  
6 to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall  
7 not be deemed an additional civil penalty and shall not be deemed to change the amount of the  
8 civil penalty imposed in this Judgment. For purposes of this paragraph, a “Related Investor  
9 Action” means a private damages action brought against Defendant by or on behalf of one or  
10 more investors based on substantially the same facts as alleged in the Complaint in this action.  
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12 **III.**

13 **INCORPORATION OF CONSENT**

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15 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the Consent is  
16 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant  
17 shall comply with all of the undertakings and agreements set forth therein.  
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19 **IV.**

20 **BANKRUPTCY NONDISCHARGEABILITY**

21 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, solely for purposes of  
22 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the  
23 allegations in the complaint are true and admitted by Defendant, and further, any debt for  
24 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this  
25 Final Judgment or any other judgment, order, consent order, decree or settlement agreement  
26 entered in connection with this proceeding, is a debt for the violation by Defendant of the federal  
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1 securities laws or any regulation or order issued under such laws, as set forth in Section  
2 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

3  
4 **V.**

5 **RETENTION OF JURISDICTION**

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

8 **VI.**

9 **RULE 54(b) CERTIFICATION**

10 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil  
11 Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.  
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14 Dated: May 3, 2019

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16 \_\_\_\_\_/s/\_\_\_\_\_  
17 FERNANDO M. OLGUIN  
18 UNITED STATES DISTRICT JUDGE  
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