

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JOHNNY R. THOMAS,
ROBERT C. POTTS,
JONATHAN BRETT WOODARD, and
JOHN C. FRANCIS,

Defendants.

Case No.: 2:19-cv-1132-JCM-EJ

FINAL JUDGMENT
AS TO DEFENDANT
JOHN C. FRANCIS

The Securities and Exchange Commission having filed a Complaint and Defendant John C. Francis (“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 this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VIII); 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 Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5(b) promulgated thereunder [17 C.F.R. § 240.10b-5(b)], directly or indirectly, by using any means or instrumentality of interstate commerce, or the mails, or any facility of any national securities exchange, in connection with the purchase or sale of any security, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

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

1 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation
2 with Defendant or with anyone described in (a).

3 II.

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
5 permanently restrained and enjoined from violating Section 17(a)(2) of the Securities Act of 1933
6 (the "Securities Act") [15 U.S.C. § 77q(a)(2)], directly or indirectly, by using any means or
7 instruments of transportation or communication in interstate commerce, or the mails, in the offer or
8 sale of any security, to obtain money or property by means of any untrue statement of a material
9 fact or any omission of a material fact necessary in order to make the statements made, in light of
10 the circumstances under which they were made, not misleading.

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

16 III.

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
18 permanently restrained and enjoined from aiding and abetting the violation of Section 13(a) of the
19 Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder [17
20 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13] by knowingly or recklessly
21 providing substantial assistance to an issuer of a security registered pursuant to Section 12 of the
22 Exchange Act, that filed reports with the Commission that contained materially false and
23 misleading information.

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

1 IV.

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section
3 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited from acting as an
4 officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the
5 Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the
6 Exchange Act [15 U.S.C. § 78o(d)].

7 V.

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to
9 Section 20(g) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6) of the Exchange Act
10 [15 U.S.C. § 78u(d)(6)], Defendant is permanently barred from participating in an offering of penny
11 stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing,
12 trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock
13 is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1
14 under the Exchange Act [17 C.F.R. § 240.3a51-1].

15 VI.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a
17 civil penalty in the amount of \$120,000 to the Commission pursuant to Section 20(d) of the
18 Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C.
19 § 78u(d)(3)]. Defendant shall pay this amount within 30 days after entry of this Final Judgment.

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

26 Enterprise Services Center
27 Accounts Receivable Branch
28 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

1 and shall be accompanied by a letter (i) identifying the case title, civil action number, and name of
2 this Court (*SEC v. Johnny R. Thomas, et al.*, 19-cv-1132 (D. Nev.); (ii) identifying John C. Francis
3 as a defendant in this action; and (iii) specifying that payment is made pursuant to this Final
4 Judgment. Defendant shall simultaneously email evidence of payment and case identifying
5 information to Suzanne J. Romajas, Esq. the Commission's counsel in this action.

6 By making this payment, Defendant relinquishes all legal and equitable right, title, and
7 interest in such funds and no part of the funds shall be returned to Defendant.

8 The Commission may enforce the Court's judgment for penalties by the use of all collection
9 procedures authorized by law, including the Federal Debt Collection Procedures Act. 28 U.S.C
10 § 3001, *et seq.* Defendant shall pay post-judgment interest on any delinquent amounts due after 30
11 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

12 The Commission shall hold the funds, together with any interest and income earned thereon
13 (collectively, the "Fund"), pending further order of the Court. The Commission may propose a plan
14 to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall
15 be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
16 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and
17 the Fund may only be disbursed pursuant to an Order of the Court.

18 Regardless of whether a Fair Fund distribution is made, amounts ordered to be paid as civil
19 penalties pursuant to this Final Judgment shall be treated as penalties paid to the government for all
20 purposes, including all tax purposes. Additionally, to preserve the deterrent effect of the civil
21 penalty, Defendant shall not argue in any Related Civil Action that he is entitled to, nor shall he
22 benefit by, offset or reduction of any compensatory damages award in the Related Civil Action by
23 the amount of any part of Defendant's payment of civil penalties in this action ("Penalty Offset").
24 If the court in any Related Investor Action grants a Penalty Offset, Defendant shall, within 30 days
25 after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this
26 action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as
27 the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall
28 not be deemed to change the amount of the civil penalties imposed by this Final Judgment. For

1 purposes of this paragraph, a “Related Investor Action” means a private damages action brought
2 against Defendant by or on behalf of one or more investors based on substantially the same facts as
3 alleged in the Complaint in this action.

4 VII.

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is
6 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant
7 shall comply with all of the undertakings and agreements set forth therein.

8 VIII.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that, solely for purposes of
10 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the
11 allegations in the complaint are true and admitted by Defendant, and further, any debt for civil
12 penalties or other amounts due by Defendant under this Final Judgment or any other judgment,
13 order, consent order, decree, or settlement agreement entered in connection with this proceeding, is
14 a debt for the violation by Defendant of the federal securities laws or any regulation or order issued
15 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

16 IX.

17 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that this Court shall retain
18 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

19 X.

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

22
23 Dated: August 19, 2021

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25 _____
26 UNITED STATES DISTRICT JUDGE
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