

1 MANUEL VAZQUEZ (Cal. Bar No. 295576)
Email: vazquezm@sec.gov

2 Attorneys for Plaintiff
3 Securities and Exchange Commission
Michele Wein Layne, Regional Director
4 Alka N. Patel, Associate Regional Director
Jennifer Barry, Acting Regional Trial Counsel
5 444 S. Flower Street, Suite 900
Los Angeles, California 90071
6 Telephone: (323) 965-3998
Facsimile: (213) 443-1904

7
8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**

10
11 **SECURITIES AND EXCHANGE**
12 **COMMISSION,**

13 **Plaintiff,**

14 **vs.**

15 **SHLOMO NIR AND TZACHI**
16 **RAHAMIM,**

17 **Defendants.**

Case No. 2:22-cv-04438-CAS-PVCx

FINAL JUDGMENT AS TO
DEFENDANT SHLOMO NIR

18
19 **FINAL JUDGMENT AS TO DEFENDANT SHLOMO NIR**

20 The Securities and Exchange Commission having filed a Complaint and
21 Defendant Shlomo Nir having entered a general appearance; consented to the Court's
22 jurisdiction over Defendant and the subject matter of this action; consented to entry
23 of this Final Judgment without admitting or denying the allegations of the Complaint
24 (except as to jurisdiction and except as otherwise provided herein in paragraph V.);
25 waived findings of fact and conclusions of law; and waived any right to appeal from
26 this Final Judgment:

27 ///

28 ///

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”) and Rule 10b-5 promulgated thereunder, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) 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; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

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

II.

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

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to

1 make the statements made, in light of the circumstances under which
 2 they were made, not misleading; or

3 (c) to engage in any transaction, practice, or course of business which
 4 operates or would operate as a fraud or deceit upon the purchaser.

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

11 III.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
 13 Defendant is liable for disgorgement of \$126,000, representing Defendant's ill-gotten
 14 gain as a result of the conduct alleged in the Complaint, together with prejudgment
 15 interest thereon in the amount of \$3,930.77, and a civil penalty in the amount of
 16 \$103,591 pursuant to Securities Act Section 20(d) and Exchange Act Section
 17 21(d)(3). Defendant shall satisfy this obligation by paying \$233,521.77 to the
 18 Securities and Exchange Commission pursuant to the terms of the payment schedule
 19 set forth in paragraph IV below after entry of this Final Judgment.

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

26 ///

27 ///

28 ///

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; Shlomo Nir as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

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

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment.

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the violation of any Court orders issued in this action. Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that they are entitled to, nor shall they further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

IV.

Shlomo Nir shall pay the total of disgorgement, prejudgment interest, and civil penalty due of \$233,521.77 in three installments to the Commission according to the following schedule: (1) \$116,760.89, within 30 days of entry of this Final Judgment; (2) \$58,380.44 within 180 days of entry of this Final Judgment; and (3) \$58,380.44 within 365 days of entry of this Final Judgment. Payments shall be deemed made on the date they are received by the Commission and shall be applied first to post judgment interest, which accrues pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 30 days of the entry of Final Judgment, then to the penalty due.

1 Prior to making the final payment set forth herein, Shlomo Nir shall contact the staff
2 of the Commission for the amount due for the final payment.

3 If Shlomo Nir fails to make any payment by the date agreed and/or in the
4 amount agreed according to the schedule set forth above, all outstanding payments
5 under this Final Judgment, including post-judgment interest, minus any payments
6 made, shall become due and payable immediately at the discretion of the staff of the
7 Commission without further application to the Court.

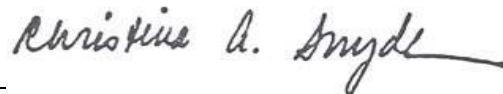
8 V.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
10 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
11 11 U.S.C. §523, the allegations in the complaint are true and admitted by the
12 Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty
13 or other amounts due by the Defendant under this Final Judgment or any other
14 judgment, order, consent order, decree or settlement agreement entered in connection
15 with this proceeding, is a debt for the violation by Defendant of the federal securities
16 laws or any regulation or order issued under such laws, as set forth in Section
17 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

18 VI.

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

22
23 Dated: July 11, 2022

24 

25 UNITED STATES DISTRICT JUDGE
26
27
28