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6 **IN THE UNITED STATES DISTRICT COURT**  
7 **FOR THE DISTRICT OF ARIZONA**  
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9 United States Securities and Exchange  
10 Commission,

11 Plaintiff,

12 v.

13 David A Spargo, et al.,

14 Defendants.

No. CV-25-01043-PHX-DJH

**FINAL JUDGMENT**

15 The Securities and Exchange Commission (the “SEC”) has filed a Motion to  
16 Approve the parties’ Consent Judgment. (Doc. 6). The SEC and Defendant David A.  
17 Spargo have agreed to the entry of this Final Judgment to resolve all matters in dispute in  
18 this action. (*Id.*)

19 Accordingly,

20 **IT IS ORDERED** that the SEC’s Motion to Approve the parties’ Consent Judgment  
21 (Doc. 6) is **GRANTED**. The Court adopts their stipulated settlement terms and enters  
22 Final Judgment (Doc. 6-1) as follows:

23 **I.**

24 Defendant is permanently restrained and enjoined from violating, directly or  
25 indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15  
26 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using  
27 any means or instrumentality of interstate commerce, or of the mails, or of any facility of  
28 any national securities exchange, in connection with the purchase or sale of any security:

1 (a) to employ any device, scheme, or artifice to defraud;  
2 (b) to make any untrue statement of a material fact or to omit to state a material  
3 fact necessary in order to make the statements made, in the light of the  
4 circumstances under which they were made, not misleading; or  
5 (c) to engage in any act, practice, or course of business which operates or would  
6 operate as a fraud or deceit upon any person  
7 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person,  
8 or (ii) disseminating false or misleading documents, materials, or information or making,  
9 either orally or in writing, any false or misleading statement in any communication with  
10 any investor or prospective investor, about:

11 (A) any investment in or offering of securities,

12 (B) the registration status of such offering or of such securities,

13 (C) the prospects for success of any product or company,

14 (D) the use of investor funds; or

15 (E) the misappropriation of investor funds or investment proceeds.

16 **IT IS FURTHER ORDERED** that as provided in Federal Rule of Civil Procedure  
17 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this  
18 Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants,  
19 employees, and attorneys; and (b) other persons in active concert or participation with  
20 Defendant or with anyone described in (a).

21 **II.**

22 **IT IS FURTHER ORDERED** that Defendant is permanently restrained and enjoined  
23 from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C.  
24 § 77q(a)] in the offer or sale of any security by the use of any means or instruments of  
25 transportation or communication in interstate commerce or by use of the mails, directly or  
26 indirectly:

27 (a) to employ any device, scheme, or artifice to defraud;  
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(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 make the statements made, in light of the circumstances under which they were made, not misleading; or

(c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

(A) any investment in or offering of securities,

(B) the registration status of such offering or of such securities,

(C) the prospects for success of any product or company,

(D) the use of investor funds; or

(E) the misappropriation of investor funds or investment proceeds.

**IT IS FURTHER ORDERED** 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).

### **III.**

**IT IS FURTHER ORDERED** that pursuant to Sections 21(d)(1) and 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(1) and (5)], and Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)], Defendant is permanently restrained and enjoined from directly or indirectly, including, but not limited to, through any entity owned or controlled by Defendant, participating in the issuance, purchase, offer, or sale of any security; provided, however, that such injunction shall not prevent Defendant from purchasing or selling securities for his own personal account.



1 Enterprise Services Center  
2 Accounts Receivable Branch  
3 6500 South MacArthur Boulevard  
4 Oklahoma City, OK 73169

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

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

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

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

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

27 Regardless of whether any such Fair Fund distribution is made, amounts ordered to  
28 be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the

1 government for all purposes, including all tax purposes. To preserve the deterrent effect  
2 of the civil penalty, Defendant shall not, after offset or reduction of any award of  
3 compensatory damages in any Related Investor Action based on Defendant's payment of  
4 disgorgement in this action, argue that he is entitled to, nor shall he further benefit by,  
5 offset or reduction of such compensatory damages award by the amount of any part of  
6 Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any  
7 Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after  
8 entry of a final order granting the Penalty Offset, notify the Commission's counsel in this  
9 action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair  
10 Fund, as the Commission directs. Such a payment shall not be deemed an additional civil  
11 penalty and shall not be deemed to change the amount of the civil penalty imposed in this  
12 Judgment. For purposes of this paragraph, a "Related Investor Action" means a private  
13 damages action brought against Defendant by or on behalf of one or more investors based  
14 on substantially the same facts as alleged in the Complaint in this action.

15 **VI.**

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

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**VII.**

**IT IS FINALLY ORDERED** that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated this 24th day of April, 2025.

  
Honorable Diane J. Humetewa  
United States District Judge