

1 THOMAS BEDNAR
2 DEAN M. CONWAY
3 (*counsel for service*)
4 SARRA CHO
5 CHRISTOPHER NEE
6 Email: conwayd@sec.gov

7 Attorneys for Plaintiff
8 Securities and Exchange Commission
9 100 F Street NE
10 Washington, DC 20549
11 Telephone: (202) 551-4412
12 Facsimile: (202) 772-9245

13 UNITED STATES DISTRICT COURT
14 EASTERN DISTRICT OF CALIFORNIA

15 SECURITIES AND EXCHANGE COMMISSION,
16
17 Plaintiff,

Case No. 2:19-cv-2140-MCE-AC

18 v.

19 JOSEPH BAYLISS and RONALD ROACH,
20
21 Defendants.

22 **JUDGMENT OF PERMANENT INJUNCTION**
23 **AS TO DEFENDANT RONALD J. ROACH**

24 The Securities and Exchange Commission having filed a Complaint and Defendant Ronald
25 J. Roach (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction
26 over Defendant and the subject matter of this action; consented to entry of this Judgment; waived
27 findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

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”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated
thereunder [17 C.F.R. § 240.10b-5], 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

1 purchase or sale of any security:

- 2 (a) to employ any device, scheme, or artifice to defraud;
- 3 (b) to make any untrue statement of a material fact or to omit to state a material fact
4 necessary in order to make the statements made, in the light of the circumstances
5 under which they were made, not misleading; or
- 6 (c) to engage in any act, practice, or course of business which operates or would
7 operate as a fraud or deceit upon any person.

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

13 II.

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

- 19 (a) to employ any device, scheme, or artifice to defraud;
- 20 (b) to obtain money or property by means of any untrue statement of a material fact or
21 any omission of a material fact necessary in order to make the statements made, in light of
22 the circumstances under which they were made, not misleading; or
- 23 (c) to engage in any transaction, practice, or course of business which operates or
24 would operate as a fraud or deceit upon the purchaser.

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

1 Defendant or with anyone described in (a).

2 III.

3 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Court
4 shall determine the amounts of any disgorgement of ill-gotten gains, prejudgment interest thereon,
5 and civil penalty or penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]
6 and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], upon later motion of the
7 Commission, if any. Prejudgment interest shall be calculated from October 15, 2014, based on the
8 rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as
9 set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's motion for disgorgement
10 and/or civil penalty or penalties, and at any hearing held on such a motion: (a) Defendant will be
11 precluded from arguing that he did not violate the federal securities laws as alleged in the
12 Complaint; (b) Defendant may not challenge the validity of the Consent or this Judgment; (c) solely
13 for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed
14 true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of
15 affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary
16 evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the
17 Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement
18 and/or civil penalties, the parties may take discovery, including discovery from appropriate non-
19 parties.

20 IV.

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

24 V.

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for purposes of
26 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the
27 allegations in the complaint are true and admitted by Defendant, and further, any debt for
28 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this

Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

VI.

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

VII.

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

IT IS SO ORDERED.

DATED: November 19, 2019


MORRISON C. ENGLAND, JR.
UNITED STATES DISTRICT JUDGE