



Coutris, which is permissible under Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Relative to the civil penalties which the Court imposed on other, seemingly more culpable, defendants in this case, a \$50,000 seems inappropriately high.

The Court has broad discretion to determine an appropriate civil penalty. SEC v. Lybrand, 281 F. Supp.2d 726, 729 (S.D.N.Y. 2003). Courts have looked to the following general factors when imposing civil penalties under the securities laws: (1) the egregiousness of the violations at issue; (2) defendants' scienter; (3) the repeated nature of the violations; (4) defendants' failure to admit to their wrongdoing; (5) whether defendants' conduct created substantial losses or the risk of substantial losses to other persons; (6) defendants' lack of cooperation and honesty with authorities, if any; and (7) whether the penalty that would otherwise be appropriate should be reduced due to defendants' demonstrated current and future financial condition. SEC v. Mantria Corp., No. 09-cv-02676-CMA-MJW, 2011 WL 3439348, at \*9 (D. Colo. Aug. 5, 2011); Lybrand, 281 F. Supp.2d at 730.

The Court imposed a civil penalty of only \$25,000 against Jeffrey Koslosky and penalties of only \$20,000 against both Regency Group, LLC and Aaron Lamkin. Based on the amount which each of those defendants agreed to disgorge, they were more involved in the scheme than the Coutris defendants. Although John Coutris and Michael Coutris knowingly and repeatedly violated securities laws, the SEC does not allege that they engaged in fraud. And even though they have not cooperated with the SEC, it would be inappropriate to impose a substantially harsher penalty on the Coutris defendants than the other defendants. For these reasons, the Court finds that a civil penalty of \$15,000 is appropriate for each of the Coutris defendants.

I.

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that Parts II through IV of the Injunction Orders entered on July 21, 2010 (Docs. #132-134), against John Coutris, Michael Coutris and J. Coutris Partners LP, are incorporated by reference in this Final Judgment and shall have the same force and effect as if set out in full in this Final Judgment.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, and DECREED that defendant John Coutris is liable for disgorgement of \$63,061 representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$27,313.72, and a civil penalty in the amount of \$15,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$105,374.72 within 14 days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, 100 F Street, N.E., Stop 6042, Washington, D.C. 20549, and shall be accompanied by a letter identifying John Coutris as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

III.

IT IS HEREBY FURTHER ORDERED that defendant Michael Coutris is liable for

disgorgement of \$26,855 representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$11,631.69, and a civil penalty in the amount of \$15,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$53,486.69 within 14 days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, 100 F Street, N.E., Stop 6042, Washington, D.C. 20549, and shall be accompanied by a letter identifying Michael Coutris as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

#### IV.

IT IS HEREBY FURTHER ORDERED that defendant J. Coutris Partners LP is liable for disgorgement of \$86,423 representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$37,432.51. Defendant shall satisfy this obligation by paying \$123,855.51 within ten 14 days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, 100 F Street, N.E., Stop 6042, Washington, D.C. 20549, and shall be accompanied by a letter identifying J. Coutris Partners LP as a defendant in this

action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall pay postjudgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

V.

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

Dated this 9th day of November, 2011 at Kansas City, Kansas

s/ Kathryn H. Vratil  
Kathryn H. Vratil  
United States District Judge