

**UNITED STATES DISTRICT COURT
DISTRICT OF HAWAI'I**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

TROY LYNDON AND RONALD
ZAUCHA,

Defendants.

Case No. CV13-00486 SOM-KSC

**FINAL JUDGMENT AGAINST
DEFENDANT RONALD ZAUCHA**

The Court, having granted the unopposed motion by Plaintiff Securities and Exchange Commission (“Commission”) for summary judgment against Defendant Ronald Zaucha (“Defendant”), now issues this Final Judgment setting forth all relief granted against Defendant:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77e(a)(1)-(2), 77e(c), by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise (15 U.S.C. § 77e(a)(1));
- (b) Unless a registration statement is in effect as to a security, carrying or

1 causing to be carried through the mails or in interstate commerce, by
2 any means or instruments of transportation, any such security for the
3 purpose of sale or for delivery after sale (15 U.S.C. § 77e(a)(2)); or

- 4 (c) Making use of any means or instruments of transportation or
5 communication in interstate commerce or of the mails to offer to sell
6 or offer to buy through the use or medium of any prospectus or
7 otherwise any security, unless a registration statement has been filed
8 with the Commission as to such security, or while the registration
9 statement is the subject of a refusal order or stop order or (prior to the
10 effective date of the registration statement) any public proceeding or
11 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h
12 ((15 U.S.C. § 77e(c)).

13 **II.**

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
15 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
16 in active concert or participation with them who receive actual notice of this Final
17 Judgment by personal service or otherwise are permanently restrained and enjoined
18 from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a), in the offer
19 or sale of any security by the use of any means or instruments of transportation or
20 communication in interstate commerce or by use of the mails, directly or
21 indirectly:

- 22 (a) to employ any device, scheme, or artifice to defraud (15 U.S.C. §
23 77q(a)(1));
24 (b) to obtain money or property by means of any untrue statement of a
25 material fact or any omission of a material fact necessary in order to
26 make the statements made, in light of the circumstances under which
27 they were made, not misleading (15 U.S.C. § 77q(a)(2)); or
28 (c) to engage in any transaction, practice, or course of business which

1 operates or would operate as a fraud or deceit upon the purchaser (15
2 U.S.C. § 77q(a)(3)).

3 **III.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant and Defendant's agents, servants, employees, attorneys, and all persons
6 in active concert or participation with them who receive actual notice of this Final
7 Judgment by personal service or otherwise are permanently restrained and enjoined
8 from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act
9 of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
10 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
11 interstate commerce, or of the mails, or of any facility of any national securities
12 exchange, in connection with the purchase or sale of any security:

- 13 (a) to employ any device, scheme, or artifice to defraud (17 C.F.R. §
14 240.10b-5(a));
- 15 (b) to make any untrue statement of a material fact or to omit to state a
16 material fact necessary in order to make the statements made, in the
17 light of the circumstances under which they were made, not
18 misleading (17 C.F.R. § 240.10b-5(b)); or
- 19 (c) to engage in any act, practice, or course of business which operates or
20 would operate as a fraud or deceit upon any person (17 C.F.R. §
21 240.10b-5(c)).

22 **IV.**

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
24 Defendant is permanently prohibited from participating in an offering of penny
25 stock, including engaging in activities with a broker, dealer, or issuer for purposes
26 of issuing, trading, or inducing or attempting to induce the purchase or sale of any
27 penny stock. A penny stock is any equity security that has a price of less than five
28 dollars, except as provided in Rule 3a51-1 under the Exchange Act, 17 C.F.R.

1 240.3a51-1.

2 V.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
4 Defendant is liable for disgorgement of \$1,278,165, representing profits gained as
5 a result of the conduct alleged in the Complaint, together with prejudgment interest
6 thereon in the amount of \$119,918.40. ~~Defendant shall satisfy this obligation by~~
7 ~~paying \$1,398,083.40 to the Commission within 14 days after entry of this Final~~
8 ~~Judgment.~~ Defendant may transmit payment electronically to the Commission,
9 which will provide detailed ACH transfer/Fedwire instructions upon request.
10 Payment may also be made directly from a bank account via Pay.gov through the
11 Commission website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant
12 may also pay by certified check, bank cashier's check, or United States postal
13 money order payable to the Securities and Exchange Commission, which shall be
14 delivered or mailed to

15 Enterprise Services Center
16 Accounts Receivable Branch
17 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

18 and shall be accompanied by a letter identifying the case title, civil action number,
19 and name of this Court; Zaucha's name as a defendant in this action; and
20 specifying that payment is made pursuant to this Final Judgment. Defendant shall
21 simultaneously transmit photocopies of evidence of payment and case identifying
22 information to the Commission's counsel in this action. By making this payment,
23 Defendant relinquishes all legal and equitable right, title, and interest in such funds
24 and no part of the funds shall be returned to Defendant. The Commission shall
25 send the funds paid pursuant to this Final Judgment to the United States Treasury.
26 The Commission may enforce the Court's judgment for disgorgement and
27 prejudgment interest ~~by moving for civil contempt (and/or through other collection~~
28 ~~procedures authorized by law) at any time after 14 days following entry of this~~

1 Final Judgment. Defendant shall pay post-judgment interest on any delinquent
2 amounts pursuant to 28 U.S.C. § 1961.

3 **VI.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant shall pay a civil penalty in the amount of \$1,280,000 to the Securities
6 and Exchange Commission pursuant to Section 20(d)(2)(C) of the Securities Act,
7 15 U.S.C. § 77t(d)(2)(C), and Section 21(d)(3)(B)(iii) of the Exchange Act, 15
8 U.S.C. § 78u(d)(3)(B)(iii). ~~Defendant shall make this payment within 14 days~~
9 ~~after entry of this Final Judgment.~~ Defendant may transmit payment electronically
10 to the Commission, which will provide detailed ACH transfer/Fedwire instructions
11 upon request. Payment may also be made directly from a bank account via
12 Pay.gov through the Commission website at
13 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
14 check, bank cashier's check, or United States postal money order payable to the
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26 Defendant relinquishes all legal and equitable right, title, and interest in such funds
27 and no part of the funds shall be returned to Defendant. The Commission shall
28 send the funds paid pursuant to this Final Judgment to the United States Treasury.
Defendant shall pay post-judgment interest on any delinquent amounts pursuant to
28 USC § 1961.

1 **VII.**

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
3 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
4 of this Final Judgment, and for purposes of determining additional relief in this
5 action.

6 **VIII.**

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

10 IT IS SO ORDERED.

11 DATED: Honolulu, Hawaii; January 22, 2015.



/s/ Susan Oki Mollway
SUSAN OKI MOLLWAY
CHIEF UNITED STATES DISTRICT JUDGE

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