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10 **UNITED STATES DISTRICT COURT**
11 **SOUTHERN DISTRICT OF CALIFORNIA**
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13
14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 Plaintiff,

17 v.
18

19 BILL C. (BILLY) CRAFTON, JR.,

20 Defendant.
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Case No. **14CV2916-DMS-JLB**

**FINAL JUDGMENT
AS TO DEFENDANT
BILL C. (BILLY) CRAFTON, JR.**

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25 The Securities and Exchange Commission having filed a Complaint and
26 Defendant Bill C. (Billy) Crafton, Jr. having entered a general appearance;
27 consented to the Court's jurisdiction over Defendant and the subject matter of this
28 action; consented to entry of this Final Judgment; waived findings of fact and

1 conclusions of law; and waived any right to appeal from this Final Judgment:

2 **I.**

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

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

19 **II.**

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
21 that Defendant and Defendant's agents, servants, employees, attorneys, and all
22 persons in active concert or participation with them who receive actual notice of
23 this Final Judgment by personal service or otherwise are permanently restrained
24 and enjoined from violating Section 17(a) of the Securities Act of 1933 [15 U.S.C.
25 § 77q(a)] (the "Securities Act") in the offer or sale of any security by the use of
26 any means or instruments of transportation or communication in interstate
27 commerce or by use of the mails, directly or indirectly:

- 28 (a) to employ any device, scheme, or artifice to defraud;

1 (b) to obtain money or property by means of any untrue statement of a
2 material fact or any omission of a material fact necessary in order to
3 make the statements made, in light of the circumstances under which
4 they were made, not misleading; or

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

7 **III.**

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
9 that Defendant and Defendant's agents, servants, employees, attorneys, and all
10 persons in active concert or participation with them who receive actual notice of
11 this Final Judgment by personal service or otherwise are permanently restrained
12 and enjoined from violating, directly or indirectly, Section 15(a) of the Exchange
13 Act [15 U.S.C. § 78o(a)] by using any means or instrumentality of interstate
14 commerce, or of the mails, or of any facility of any national securities exchange to
15 effect any transaction in, or to induce or attempt to induce the purchase or sale of,
16 any security (other than an exempted security or commercial paper, bankers'
17 acceptances, or commercial bills) for the account of others unless registered in
18 accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

19 **IV.**

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
21 that Defendants and Defendants' agents, servants, employees, attorneys, and all
22 persons in active concert or participation with them who receive actual notice of
23 this Final Judgment by personal service or otherwise are permanently restrained
24 and enjoined from violating, directly or indirectly, Sections 206(1) - (3) of the
25 Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(1)-(3)],
26 while acting as an investment adviser or person associated with an investment
27 adviser, directly or indirectly, by using the mails or means or instrumentalities of
28 interstate commerce:

- 1 (a) to employ any device, scheme, or artifice to defraud any client or
2 prospective client;
- 3 (b) to engage in any transaction, practice, or course of business that
4 operates or would operate as a fraud or deceit upon any client or
5 prospective client; or
- 6 (c) acting as principal for his own account, knowingly to sell any security
7 to or purchase any security from a client, or acting as a broker for a
8 person other than a client, knowingly to effect any sale or purchase of
9 any security for the account of such client, without disclosing to such
10 client in writing before the completion of such transaction the capacity
11 in which Defendant is acting and obtaining the consent of the client to
12 such transaction.

13 **V.**

14 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
15 that Defendant is liable for disgorgement of \$1,505,952 representing profits gained
16 as a result of the conduct alleged in the Complaint, together with prejudgment
17 interest thereon in the amount of \$192,959, for a total of \$1,698,911. Defendant's
18 payment of disgorgement and prejudgment interest shall be deemed satisfied upon
19 entry of a restitution order and/or forfeiture order in *United States v. Billy Crafton*,
20 Crim. No. 3:14-cr-02981-BTM-1 (S.D. Cal.).

21 **VI.**

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

26 **VII.**

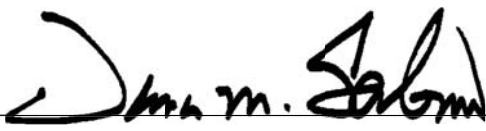
27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely
28 for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy

1 Code, 11 U.S.C. §523, the allegations in the Complaint are true and admitted by
2 Defendant, and further, any debt for disgorgement, prejudgment interest, civil
3 penalty or other amounts due by Defendant under this Final Judgment or any other
4 judgment, order, consent order, decree or settlement agreement entered in
5 connection with this proceeding, is a debt for the violation by Defendant of the
6 federal securities laws or any regulation or order issued under such laws, as set
7 forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

8 **VIII.**

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

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13 Dated: December 16, 2014

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16 UNITED STATES DISTRICT JUDGE
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