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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN FRANCISCO DIVISION

11 SECURITIES AND EXCHANGE COMMISSION, Case No. C-15-551

12 Plaintiff,

13 v.

14 JOHN GRAY, CHRISTIAN KELLER,
15 KYLE MARTIN, and AARON SHEPARD,

16 Defendants.

**~~PROPOSED~~ FINAL JUDGMENT AS TO
DEFENDANT AARON SHEPARD**

17 The Securities and Exchange Commission having filed a Complaint and Defendant Aaron
18 Shepard having entered a general appearance; consented to the Court’s jurisdiction over Defendant
19 and the subject matter of this action; consented to entry of this Final Judgment without admitting or
20 denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided
21 herein in paragraph IV); waived findings of fact and conclusions of law; and waived any right to
22 appeal from this Final Judgment:

23 I.

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant’s
25 agents, servants, employees, attorneys, and all persons in active concert or participation with them
26 who receive actual notice of this Final Judgment by personal service or otherwise are permanently
27 restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities
28 Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated

1 thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or
2 of the mails, or of any facility of any national securities exchange, in connection with the purchase or
3 sale of any security:

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

10 II.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for
12 disgorgement of \$161,388.36, representing profits gained as a result of the conduct alleged in the
13 Complaint, together with prejudgment interest thereon in the amount of \$9,633.07. Defendant shall
14 satisfy this obligation by paying \$171,021.43 to the Securities and Exchange Commission within 14
15 days after entry of this Final Judgment.

16 Defendant may transmit payment electronically to the Commission, which will provide
17 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from
18 a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>.
19 Defendant may also pay by certified check, bank cashier's check, or United States postal money
20 order payable to the Securities and Exchange Commission, which shall be delivered or mailed to
21 Enterprise Services Center
22 Accounts Receivable Branch
23 6500 South MacArthur Boulevard
24 Oklahoma City, OK 73169
25 and shall be accompanied by a letter identifying the case title, civil action number, and name of this
26 Court; Aaron Shepard as a defendant in this action; and specifying that payment is made pursuant to
27 this Final Judgment.

28 Defendant shall simultaneously transmit photocopies of evidence of payment and case
identifying information to the Commission's counsel in this action. By making this payment,

1 Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the
2 funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to this
3 Final Judgment to the United States Treasury.

4 The Commission may enforce the Court's judgment for disgorgement and prejudgment
5 interest by moving for civil contempt (and/or through other collection procedures authorized by law)
6 at any time after 14 days following entry of this Final Judgment. Defendant shall pay post judgment
7 interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

8 III.

9 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that based on
10 Defendant's cooperation in a Commission investigation and/or related enforcement action, the Court
11 is not ordering Defendant to pay a civil penalty of \$161,388.36. If at any time following the entry of
12 the Final Judgment the Commission obtains information indicating that Defendant knowingly
13 provided materially false or misleading information or materials to the Commission or in a related
14 proceeding, the Commission may, at its sole discretion and without prior notice to the Defendant,
15 petition the Court for an order requiring Defendant to pay a civil penalty. In connection with any
16 such petition and at any hearing held on such a motion: (a) Defendant will be precluded from
17 arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant
18 may not challenge the validity of the Judgment, this Consent, or any related Undertakings; (c) the
19 allegations of the Complaint, solely for the purposes of such motion, shall be accepted as and deemed
20 true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of
21 affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary
22 evidence without regard to the standards for summary judgment contained in Rule 56(c) of the
23 Federal Rules of Civil Procedure. Under these circumstances, the parties may take discovery,
24 including discovery from appropriate non-parties.

25 IV.

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

7 V.

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

10 VI.

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

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14 Dated: March 2, 2015, _____

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17 UNITED STATES DISTRICT JUDGE

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