

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

COMMODORE FINANCIAL
CORPORATION, CHRISTOPHER
SCHLEGEL, M&G CAP SERVICES,
and ANDRES CALVO,

Defendants.

Case No 8:15-cv-01567-DOC-KES

**FINAL JUDGMENT AS TO
DEFENDANT CHRISTOPHER
SCHLEGEL**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Christopher Schlegel having consented to the Court’s jurisdiction over
3 Defendant and the subject matter of this action; consented to entry of this Final
4 Judgment; waived findings of fact and conclusions of law; and waived any right to
5 appeal from this Final Judgment:

6 I.

7 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
8 permanently restrained and enjoined from violating, directly or indirectly, Section
9 10(b) of the Securities Exchange Act (the “Exchange Act”) [15 U.S.C. § 78j(b)] and
10 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
11 instrumentality of interstate commerce, or of the mails, or of any facility of any
12 national securities exchange, in connection with the purchase or sale of any security:

- 13 (a) to employ any device, scheme, or artifice to defraud;
14 (b) to make any untrue statement of a material fact or to omit to state a
15 material fact necessary in order to make the statements made, in the light
16 of the circumstances under which they were made, not misleading; 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 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
20 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
21 binds the following who receive actual notice of this Final Judgment by personal
22 service or otherwise: (a) Defendant’s officers, agents, servants, employees, and
23 attorneys; and (b) other persons in active concert or participation with Defendant or
24 with anyone described in (a).

25 II.

26 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
27 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
28 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale

1 of any security by the use of any means or instruments of transportation or
2 communication in interstate commerce or by use of the mails, directly or indirectly:

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

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

16 III.

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
18 Defendant is permanently restrained and enjoined from violating Section 5 of the
19 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of an
20 applicable exemption:

- 21 (a) Unless a registration statement is in effect as to a security, making use of
22 any means or instruments of transportation or communication in
23 interstate commerce or of the mails to sell such security through the use
24 or medium of any prospectus or otherwise;
- 25 (b) Unless a registration statement is in effect as to a security, carrying or
26 causing to be carried through the mails or in interstate commerce, by any
27 means or instruments of transportation, any such security for the purpose
28 of sale or for delivery after sale; or

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

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

15 IV.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
17 is liable for disgorgement of \$1,800,767.67, representing profits gained as a result of
18 the conduct alleged in the Complaint, together with prejudgment interest thereon in
19 the amount of \$64,088.73, which shall be deemed satisfied by the order of restitution
20 entered against Defendant in *United States v. Schlegel*, Case No. SA CR-15-116-AG,
21 pending in the Central District of California.

22 V.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the SEC
24 has determined to forgo seeking a civil penalty against Defendant.

25 VI.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
27 Consent is incorporated herein with the same force and effect as if fully set forth
28 herein, and that Defendant shall comply with all of the undertakings and agreements

1 set forth therein.

2 VII.

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

12 VIII.

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

16 IX.

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

20
21 Dated: June 23, 2020

22 
23 _____
24 UNITED STATES DISTRICT JUDGE
25 DAVID O. CARTER
26
27
28