

THE HONORABLE JOHN C. COUGHENOUR

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

JOHN E. HARDY III,

Defendant.

CASE NO. C16-0400 JCC

FINAL JUDGMENT

The Securities and Exchange Commission having filed a Complaint and Defendant John E. Hardy, III having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in

1 connection with the purchase or sale of any security:

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

3 (b) to make any untrue statement of a material fact or to omit to state a material fact  
4 necessary in order to make the statements made, in the light of the circumstances under  
5 which they were made, not misleading; or

6 (c) to engage in any act, practice, or course of business which operates or would  
7 operate as a fraud or deceit upon any person.

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

13 II.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to  
15 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited, for five  
16 (5) years following the date of entry of this Final Judgment, from acting as an officer or director  
17 of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act  
18 [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act  
19 [15 U.S.C. § 78o(d)].

20 III.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
22 liable for disgorgement of \$184,132, representing profits gained as a result of the conduct alleged  
23 in the Complaint, together with prejudgment interest thereon in the amount of \$11,389, and a  
24 civil penalty in the amount of \$184,132 pursuant to Section 21A of the Exchange Act [15 U.S.C.  
25 § 78u-1]. Defendant shall satisfy this obligation by paying a total of \$379,653, plus applicable  
26 post judgment interest, to the Securities and Exchange Commission pursuant to the terms of the

1 payment schedule set forth in paragraph IV below after entry of this Final Judgment.

2 Defendant may transmit payment electronically to the Commission, which will provide  
3 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly  
4 from a bank account via Pay.gov through the SEC website at  
5 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank  
6 cashier's check, or United States postal money order payable to the Securities and Exchange  
7 Commission, which shall be delivered or mailed to:

8  
9 Enterprise Services Center  
10 Accounts Receivable Branch  
11 6500 South MacArthur Boulevard  
12 Oklahoma City, OK 73169

13 and shall be accompanied by a letter identifying the case title, civil action number, and  
14 name of this Court; John E. Hardy, III as the defendant in this action; and specifying that  
15 payment is made pursuant to this Final Judgment.

16 Defendant shall simultaneously transmit photocopies of evidence of payment and case  
17 identifying information to the Commission's counsel in this action. By making payment as set  
18 forth herein, Defendant relinquishes all legal and equitable right, title, and interest in such funds  
19 and no part of the funds shall be returned to Defendant. The Commission shall send the funds  
20 paid pursuant to this Final Judgment to the United States Treasury.

21 IV.

22 Defendant shall pay a total of \$379,653 to the Commission in disgorgement,  
23 prejudgment interest, and penalty, plus applicable post judgment interest as set forth below, in  
24 two installments according to the following schedule: (1) \$189,827, within 14 days of entry of  
25 this Final Judgment, and (2) \$189,826, plus post judgment interest pursuant to 28 U.S.C. § 1961,  
26 within 180 days of entry of this Final Judgment. Payments shall be deemed made on the date  
they are received by the Commission. Prior to making the final payment set forth herein,

1 Defendant shall contact the staff of the Commission for the amount due for the final payment.

2 If Defendant fails to make any payment by the date agreed and/or in the amount  
3 agreed according to the schedule set forth above, all outstanding amounts under this Final  
4 Judgment, including post-judgment interest, minus any payments made, shall become due and  
5 payable immediately without further application to the Court. The Commission may enforce the  
6 Court's judgment for disgorgement and prejudgment interest by moving for civil contempt at any  
7 time after Defendant fails to make a payment. Defendant shall pay post judgment interest on any  
8 delinquent amounts pursuant to 28 U.S.C. § 1961.

9 V.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent  
11 of John E. Hardy, III is incorporated herein with the same force and effect as if fully set forth  
12 herein, and that Defendant shall comply with all of the undertakings and agreements set forth  
13 therein.

14 VI.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for  
16 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §  
17 523, the allegations in the complaint are true and admitted by Defendant, and further, any debt  
18 for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under  
19 this Final Judgment or any other judgment, order, consent order, decree or settlement agreement  
20 entered in connection with this proceeding, is a debt for the violation by Defendant of the federal  
21 securities laws or any regulation or order issued under such laws, as set forth in Section  
22 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

23 VII.

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

1 DATED this 29th day of March 2016.  
2  
3  
4

5   
6  
7

8 John C. Coughenour  
9 UNITED STATES DISTRICT JUDGE  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26