

1 JOHN B. BULGOZDY (Cal. Bar No. 219897)
Email: bulgozdyj@sec.gov
2 ANSU BANERJEE (DC Bar No. 440660)
Email: banerjeea@sec.gov
3 CATHERINE W. BRILLIANT (Cal. Bar No. 229992)
4 Email: brilliantc@sec.gov

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5 Attorneys for Plaintiff
6 Securities and Exchange Commission
7 Michele Wein Layne, Regional Director
8 Alka N. Patel, Associate Regional Director
9 John W. Berry, Regional Trial Counsel
10 444 S. Flower Street, Suite 900
Los Angeles, California 90071
Telephone: (323) 965-3998
Facsimile: (213) 443-1904

11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **Western Division**

14
15 **SECURITIES AND EXCHANGE**
16 **COMMISSION,**

17 Plaintiff,

18 vs.

19 **KEITH HUNTER,**

20 Defendant.
21

Case No.: CV 16-7246 BRO (AFMx)

FINAL JUDGMENT AS TO
DEFENDANT KEITH HUNTER

22
23 The Securities and Exchange Commission (“SEC”) having filed a Complaint
24 and Defendant Keith Hunter having entered a general appearance; consented to the
25 Court’s jurisdiction over Defendant and the subject matter of this action; consented to
26 entry of this Final Judgment; waived findings of fact and conclusions of law; and
27 waived any right to appeal from this Final Judgment:
28

I.

1
2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
3 permanently restrained and enjoined from violating, directly or indirectly, Section
4 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
5 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
6 any means or instrumentality of interstate commerce, or of the mails, or of any
7 facility of any national securities exchange, in connection with the purchase or sale of
8 any security:

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

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

II.

21
22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
23 Defendant is permanently restrained and enjoined from violating Section 17(a) of the
24 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale
25 of any security by the use of any means or instruments of transportation or
26 communication in interstate commerce or by use of the mails, directly or indirectly:

- 27 (a) to employ any device, scheme, or artifice to defraud;
28 (b) to obtain money or property by means of any untrue statement of a

1 material fact or any omission of a material fact necessary in order to
2 make the statements made, in light of the circumstances under which
3 they were made, not misleading; or

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

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

12 **III.**

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant
14 to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] [and/or Section
15 20(e) of the Securities Act [15 U.S.C. § 77t(e)]], Defendant is prohibited from acting
16 as an officer or director of any issuer that has a class of securities registered pursuant
17 to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports
18 pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

19 **IV.**

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
21 is liable for disgorgement of \$630,000, representing profits gained as a result of the
22 conduct alleged in the Complaint, together with prejudgment interest thereon in the
23 amount of \$21,990. Defendant shall satisfy this obligation by paying \$651,990,
24 provided, however, that Defendant shall receive a dollar for dollar credit for any
25 disgorgement and/or restitution paid to the Director of Public Prosecutions, New
26 South Wales, and the United States Department of Justice in connection with
27 Australian and United States criminal prosecutions arising from the conduct charged
28 in the complaint. To receive such credit toward the disgorgement amount, Defendant

1 shall provide documentation suitable to the SEC showing such payments. Defendant
2 shall send payment to the SEC within 90 days after sentence has been imposed in the
3 United States and Australian criminal prosecutions.

4 Defendant may transmit payment electronically to the SEC, which will provide
5 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made
6 directly from a bank account via Pay.gov through the SEC website at

7 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
8 check, bank cashier's check, or United States postal money order payable to the
9 Securities and Exchange Commission, which shall be delivered or mailed to

10 Enterprise Services Center

11 Accounts Receivable Branch

12 6500 South MacArthur Boulevard

13 Oklahoma City, OK 73169

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

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

22 The SEC may enforce the Court's judgment for disgorgement and prejudgment
23 interest by moving for civil contempt (and/or through other collection procedures
24 authorized by law) at any time after 90 days following the imposition of sentence in
25 the United States and Australian criminal prosecutions. Defendant shall pay post
26 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

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V.

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

VI.

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



Dated: September 30, 2016

U.S. DISTRICT JUDGE