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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **WESTERN DIVISION**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 MARCUS A. LUNA, NORRELL L.
17 WALKER, PAUL L. GOMEZ, and
DUSTIN S. SMITH,

18 Defendants.

Case No.: CV-16-07333 BRO (SKx)

**FINAL JUDGMENT AS TO
DEFENDANT NORRELL L.
WALKER**

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1 Plaintiff Securities and Exchange Commission (“SEC” or “Commission”) filed
2 a Complaint and Defendant Norrell L. Walker (“Walker” or “Defendant”) having
3 entered a general appearance; having consented to the Court’s jurisdiction over him
4 and over the subject matter of this action; without admitting or denying the
5 allegations of the Complaint (except as to jurisdiction and except as otherwise
6 provided in the Consent of Norrell L. Walker to Entry of Judgment (Dkt. No. 30)),
7 having consented to the entry of a Judgment that, among other things, (a)
8 permanently restrains and enjoins Walker from violating certain provisions of the
9 federal securities laws and (b) orders Walker to pay disgorgement, prejudgment
10 interest thereon, and a civil penalty in amounts to be determined at a later date; and
11 having waived findings of fact and conclusions of law; and

12 This matter having come before the Court on the SEC’s Motion For Final
13 Judgment Setting Amounts of Disgorgement and Prejudgment Interest Against
14 Defendant Norrell L. Walker; and the Court having considered the SEC’s Motion, the
15 memorandum of points and authorities filed in support of the motion, the declarations
16 and all other documents filed in support of the motion, and all other evidence and
17 argument presented regarding the motion, and good cause appearing, orders that the
18 SEC’s Motion For Final Judgment Setting Amounts of Disgorgement and
19 Prejudgment Interest Against Defendant Norrell L. Walker is GRANTED.

20 **I.**

21 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
22 permanently restrained and enjoined from violating, directly or indirectly, Section
23 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
24 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
25 any means or instrumentality of interstate commerce, or of the mails, or of any
26 facility of any national securities exchange, in connection with the purchase or sale of
27 any security:

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

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

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 **II.**

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

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

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
26 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
27 binds the following who receive actual notice of this Final Judgment by personal
28 service or otherwise: (a) Defendant's officers, agents, servants, employees, and

1 attorneys; and (b) other persons in active concert or participation with Defendant or
2 with anyone described in (a).

3 **III.**

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

- 8 (a) Unless a registration statement is in effect as to a security, making use of
9 any means or instruments of transportation or communication in
10 interstate commerce or of the mails to sell such security through the use
11 or medium of any prospectus or otherwise;
- 12 (b) Unless a registration statement is in effect as to a security, carrying or
13 causing to be carried through the mails or in interstate commerce, by any
14 means or instruments of transportation, any such security for the purpose
15 of sale or for delivery after sale; or
- 16 (c) Making use of any means or instruments of transportation or
17 communication in interstate commerce or of the mails to offer to sell or
18 offer to buy through the use or medium of any prospectus or otherwise
19 any security, unless a registration statement has been filed with the
20 Commission as to such security, or while the registration statement is the
21 subject of a refusal order or stop order or (prior to the effective date of
22 the registration statement) any public proceeding or examination under
23 Section 8 of the Securities Act [15 U.S.C. § 77h].

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

3 **IV.**

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant is permanently restrained and enjoined from violating, directly or
6 indirectly, Section 15(a) of the Exchange Act, 15 U.S.C. § 78o(a), which makes it
7 unlawful for any broker or dealer which is either a person other than a natural person
8 or a natural person, to make use of the mails or any means or instrumentality of
9 interstate commerce to effect any transactions in, or to induce or attempt to induce the
10 purchase or sale of, any security (other than an exempted security or commercial
11 paper, bankers' acceptances, or commercial bills) unless such broker or dealer is
12 registered in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

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

19 **V.**

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendant is permanently barred from participating in an offering of penny stock,
22 including engaging in activities with a broker, dealer, or issuer for purposes of
23 issuing, trading, or inducing or attempting to induce the purchase or sale of any penny
24 stock. A penny stock is any equity security that has a price of less than five dollars,
25 except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

26 **VI.**

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
28 is liable for disgorgement of \$7,027,428, representing profits gained as a result of the

1 conduct alleged in the Complaint, together with prejudgment interest thereon in the
2 amount of \$839,696, for a total of \$7,867,124. Included within that amount are
3 disgorgement of \$1,029,993 and prejudgment interest of \$31,094, for a total of
4 \$1,061,087, for which Defendant is jointly and severally liable with defendant Paul L.
5 Gomez, and disgorgement of \$237,361 and prejudgment interest of \$7,165, for a total
6 of \$244,526, for which Defendant is jointly and severally liable with defendant
7 Dustin S. Smith. Defendant shall satisfy this obligation by paying \$7,867,124 to the
8 Securities and Exchange Commission within 14 days after entry of this Final
9 Judgment. Defendant's disgorgement and prejudgment interest obligation shall be
10 credited by any amounts that Defendant is ordered to pay as restitution in any
11 criminal case involving Defendant's participation in a stock manipulation scheme in
12 stocks traded on the pink sheets with ticker symbols UMAX and/or AZRH.

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

19 Enterprise Services Center
20 Accounts Receivable Branch
21 6500 South MacArthur Boulevard
22 Oklahoma City, OK 73169

23 and shall be accompanied by a letter identifying the case title, civil action number,
24 and name of this Court; Norrell L. Walker as a defendant in this action; and
25 specifying that payment is made pursuant to this Final Judgment.

26 Defendant shall simultaneously transmit photocopies of evidence of payment
27 and case identifying information to the Commission's counsel in this action. By
28 making this payment, Defendant relinquishes all legal and equitable right, title, and

1 interest in such funds and no part of the funds shall be returned to Defendant. The
2 Commission shall send the funds paid pursuant to this Final Judgment to the United
3 States Treasury. The Commission may enforce the Court’s judgment for
4 disgorgement and prejudgment interest by moving for civil contempt (and/or through
5 other collection procedures authorized by law) at any time after 14 days following
6 entry of this Final Judgment. Defendant shall pay post-judgment interest on any
7 delinquent amounts pursuant to 28 U.S.C. § 1961.

8 **VII.**

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
10 Consent of Defendant Norrell L. Walker to Entry of Judgment is incorporated herein
11 with the same force and effect as if fully set forth herein, and that Defendant shall
12 comply with all of the undertakings and agreements set forth therein.

13 **VIII.**

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

23 **IX.**

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the SEC
25 has determined to forgo seeking a civil penalty against Defendant, and the claim for a
26 civil penalty against Defendant is hereby DISMISSED.

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X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment. The Court vacates the hearing set for September 25, 2017

Dated: 09/19/17

Virginia A. Phillips

HON. BEVERLY REID O'CONNELL
UNITED STATES DISTRICT JUDGE