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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

Securities and Exchange Commission,

Plaintiff,

v.

Lanny Brown, et al.,

Defendants.

No. CV-17-04630-PHX-GMS

**FINAL JUDGMENT AS TO LANNY
BROWN AND SEAN FOX**

The Securities and Exchange Commission (“Commission”) having filed a Complaint and Defendants Lanny Brown and Sean Fox (collectively, “Defendants”) having entered a general appearance; consented to the Court’s jurisdiction over Defendants and the subject matter of this action; consented to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment; and the parties’ Stipulation (Doc. 6) is granted as follows:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants are 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 connection with the purchase or sale of any security:

- (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 material
2 fact necessary in order to make the statements made, in the light of the
3 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 binds
8 the following who receive actual notice of this Final Judgment by personal service or
9 otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b)
10 other persons in active concert or participation with Defendants or with anyone described
11 in (a).

12 **II.**

13 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants
14 are jointly and severally liable for disgorgement of \$369,720, representing profits gained
15 as a result of the conduct alleged in the Complaint, together with prejudgment interest
16 thereon in the amount of \$43,147.79. This disgorgement amount is offset by a
17 \$298,503.24 credit, representing the amount Defendants are subject to pay in *United*
18 *States v. Lanny Brown, et. al.*, Case No. 17-CR-01423. Defendants shall satisfy this
19 obligation by paying \$114,364.55 to the Securities and Exchange Commission within 14
20 days after entry of this Final Judgment.

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

27 Enterprise Services Center
28 Accounts Receivable Branch

1 6500 South MacArthur Boulevard

2 Oklahoma City, OK 73169

3 and shall be accompanied by a letter identifying the case title, civil action number, and
4 name of this Court; Lanny Brown and Sean Fox as defendants in this action; and
5 specifying that payment is made pursuant to this Final Judgment.

6 Defendants shall simultaneously transmit photocopies of evidence of payment and
7 case identifying information to the Commission’s counsel in this action. By making this
8 payment, Defendants relinquish all legal and equitable rights, titles, and interests in such
9 funds and no part of the funds shall be returned to Defendants. The Commission shall
10 send the funds paid pursuant to this Final Judgment to the United States Treasury.

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

16 **III.**

17 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, for
18 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11
19 U.S.C. §523, the allegations in the complaint are true and admitted by Defendants, and
20 further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts
21 due by Defendants under this Final Judgment or any other judgment, order, consent
22 order, decree or settlement agreement entered in connection with this proceeding, is a
23 debt for the violation by Defendants of the federal securities laws or any regulation or
24 order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code,
25 11 U.S.C. §523(a)(19).

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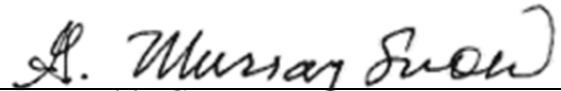
IV.

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.

V.

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

Dated this 19th day of December, 2017.



Honorable G. Murray Snow
United States District Judge