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

11 **SECURITIES AND EXCHANGE**  
12 **COMMISSION,**

13 Plaintiff,

14 vs.

15 **JAY BELSON, SMARTE REAL**  
16 **ESTATE INVESTMENTS, INC.,**  
17 **JACK ROCKMAN, LLC, JOHN**  
18 **BLACKSTONE, LLC, RESIDENCE**  
**AT ST. IVES, LLC, AND BELLAGIO**  
**PLACE RESIDENCE, LLC,**

19 Defendants.

Case No. CV 17-5953 PA (KSx)

**FINAL JUDGMENT AS TO**  
**DEFENDANT JAY BELSON**

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1 The Securities and Exchange Commission having filed a Complaint and  
2 Defendant Jay Belson, having entered a general appearance; consented to the Court's  
3 jurisdiction over Defendant and the subject matter of this action; consented to entry  
4 of this Final Judgment without admitting or denying the allegations of the Complaint  
5 (except as to jurisdiction and except as otherwise provided herein in paragraph IX);  
6 waived findings of fact and conclusions of law; and waived any right to appeal from  
7 this Final Judgment:

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
10 permanently restrained and enjoined from violating, directly or indirectly, Section  
11 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §  
12 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using  
13 any means or instrumentality of interstate commerce, or of the mails, or of any  
14 facility of any national securities exchange, in connection with the purchase or sale of  
15 any security:

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

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

**II.**

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

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

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

**III.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from, directly or indirectly, including, but not limited to, through any entity owned or controlled by Defendant, participating in the issuance, purchase, offer, or sale of any security in an unregistered offering by an issuer, provided, however, that such injunction shall not prevent Defendant from purchasing or selling securities for his own personal account.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also

1 binds the following who receive actual notice of this Final Judgment by personal  
2 service or otherwise: (a) Defendant's officers, agents, servants, employees, and  
3 attorneys; and (b) other persons in active concert or participation with Defendant or  
4 with anyone described in (a).

5 **IV.**

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
7 Defendant is liable, jointly and severally with Defendants Smarte Real Estate  
8 Investments, Inc., Jack Rockman, LLC, John Blackstone, LLC, Residences at St.  
9 Ives, LLC, and Bellagio Place Residence, LLC, for disgorgement of \$1,824,872.04,  
10 representing profits gained as a result of the conduct alleged in the Complaint,  
11 together with prejudgment interest thereon in the amount of \$73,993.52, for a total of  
12 \$1,898,865.56. Defendant shall satisfy this obligation by paying \$1,898,865.56 to the  
13 Securities and Exchange Commission within 14 days after entry of this Final  
14 Judgment.

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

21 Enterprise Services Center  
22 Accounts Receivable Branch  
23 6500 South MacArthur Boulevard  
24 Oklahoma City, OK 73169

25 and shall be accompanied by a letter identifying the case title, civil action number,  
26 and name of this Court; Jay Belson as a defendant in this action; and specifying that  
27 payment is made pursuant to this Final Judgment.

28 Defendant shall simultaneously transmit photocopies of evidence of payment  
and case identifying information to the Commission's counsel in this action. By

1 making this payment, Defendant relinquishes all legal and equitable right, title, and  
2 interest in such funds and no part of the funds shall be returned to Defendant.

3 The Commission shall hold the funds (collectively, the “Fund”) and may  
4 propose a plan to distribute the Fund subject to the Court’s approval. The Court shall  
5 retain jurisdiction over the administration of any distribution of the Fund. If the  
6 Commission staff determines that the Fund will not be distributed, the Commission  
7 shall send the funds paid pursuant to this Final Judgment to the United States  
8 Treasury.

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

14 **V.**

15 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant  
16 shall pay a civil penalty in the amount of \$1,086,426 to the Securities and Exchange  
17 Commission pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and  
18 Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall make  
19 this payment within 14 days after entry of this Final Judgment.

20 Defendant may transmit payment electronically to the Commission, which will  
21 provide detailed ACH transfer/Fedwire instructions upon request. Payment may also  
22 be made directly from a bank account via Pay.gov through the SEC website at  
23 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified  
24 check, bank cashier’s check, or United States postal money order payable to the  
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2 and name of this Court; Jay Belson as a defendant in this action; and specifying that  
3 payment is made pursuant to this Final Judgment.

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5 and case identifying information to the Commission’s counsel in this action. By  
6 making this payment, Defendant relinquishes all legal and equitable right, title, and  
7 interest in such funds and no part of the funds shall be returned to Defendant. The  
8 Commission shall send the funds paid pursuant to this Final Judgment to the United  
9 States Treasury. Defendant shall pay post-judgment interest on any delinquent  
10 amounts pursuant to 28 USC § 1961.

11 **VI.**

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

16 **VII.**

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


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IX.

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.

Dated: August 14, 2017

  
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UNITED STATES DISTRICT JUDGE