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

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13 **SECURITIES AND EXCHANGE
COMMISSION,**

14 **Plaintiff,**

15 **vs.**

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17 **JUSTINFO LLC, DAVID WEDDLE,
AND SCOTT ALLENSWORTH,**

18 **Defendants.**
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Case No. 2:17-cv-07426-CBM-JPR

**FINAL JUDGEMENT AS TO
DEFENDANT SCOTT
ALLENSWORTH [34]**

20 **FINAL JUDGMENT AS TO DEFENDANT SCOTT ALLENSWORTH**

21 The Securities and Exchange Commission having filed a Complaint and
22 Defendant Scott Allensworth (the “Defendant”) having entered a general appearance;
23 consented to the Court’s jurisdiction over Defendant and the subject matter of this
24 action; consented to entry of this Final Judgment without admitting or denying the
25 allegations of the Complaint (except as to jurisdiction and except as otherwise
26 provided herein); waived findings of fact and conclusions of law; and waived any
27 right to appeal from this Final Judgment:
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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 connection with the purchase or sale of any security:

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

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).

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;

1 (b) to obtain money or property by means of any untrue statement of a
2 material fact or any omission of a material fact necessary in order to make the
3 statements made, in light of the circumstances under which they were made,
4 not misleading; or

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

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

13 III.

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

18 (a) Unless a registration statement is in effect as to a security, making use of
19 any means or instruments of transportation or communication in
20 interstate commerce or of the mails to sell such security through the use
21 or medium of any prospectus or otherwise;

22 (b) Unless a registration statement is in effect as to a security, carrying or
23 causing to be carried through the mails or in interstate commerce, by any
24 means or instruments of transportation, any such security for the purpose
25 of sale or for delivery after sale; or

26 (c) Making use of any means or instruments of transportation or
27 communication in interstate commerce or of the mails to offer to sell or
28 offer to buy through the use or medium of any prospectus or otherwise

1 any security, unless a registration statement has been filed with the
2 Commission as to such security, or while the registration statement is the
3 subject of a refusal order or stop order or (prior to the effective date of
4 the registration statement) any public proceeding or examination under
5 Section 8 of the Securities Act [15 U.S.C. § 77h].

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 IV.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant is liable for disgorgement of \$335,260 representing profits gained as a
15 result of the conduct alleged in the Complaint, together with prejudgment interest
16 thereon in the amount of \$11,269.83, for a total of \$346,529.83. Defendant shall
17 satisfy this obligation by paying \$346,529.83 to the Securities and Exchange
18 Commission within 14 days after entry of this Final Judgment.

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

25 Enterprise Services Center
26 Accounts Receivable Branch
27 6500 South MacArthur Boulevard
28 Oklahoma City, OK 73169

1 and shall be accompanied by a letter identifying the case title, civil action number,
2 and name of this Court; Scott Allensworth as a defendant in this action; and
3 specifying that payment is made pursuant to this Final Judgment.

4 Defendant shall simultaneously transmit photocopies of evidence of payment
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.

8 The Commission shall hold the funds (collectively, the "Fund") and may
9 propose a plan to distribute the Fund subject to the Court's approval. The Court shall
10 retain jurisdiction over the administration of any distribution of the Fund. If the
11 Commission staff determines that the Fund will not be distributed, the Commission
12 shall send the funds paid pursuant to this Final Judgment to the United States
13 Treasury.

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

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21 V.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
23 shall pay a civil penalty in the amount of \$335,260 to the Securities and Exchange
24 Commission pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
25 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall
26 satisfy this obligation by paying \$335,260 to the Securities and Exchange
27 Commission within 14 days after entry of this Final Judgment.

28 Defendant may transmit payment electronically to the Commission, which will

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

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10 and shall be accompanied by a letter identifying the case title, civil action number,
11 and name of this Court; Scott Allensworth as a defendant in this action; and
12 specifying that payment is made pursuant to this Final Judgment.

13 Defendant shall simultaneously transmit photocopies of evidence of payment
14 and case identifying information to the Commission's counsel in this action. By
15 making this payment, Defendant relinquishes all legal and equitable right, title, and
16 interest in such funds and no part of the funds shall be returned to Defendant. The
17 Commission shall send the funds paid pursuant to this Final Judgment to the United
18 States Treasury. Defendant shall pay post-judgment interest on any delinquent
19 amounts pursuant to 28 USC § 1961.

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21 VI.

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

26 VII.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
28 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,

1 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
2 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
3 amounts due by Defendant under this Final Judgment or any other judgment, order,
4 consent order, decree or settlement agreement entered in connection with this
5 proceeding, is a debt for the violation by Defendant of the federal securities laws or
6 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of
7 the Bankruptcy Code, 11 U.S.C. §523(a)(19).

8 VIII.

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

12 IX.

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

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17 Dated: March 13, 2018

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19 CONSUELO B. MARSHALL

20 UNITED STATES DISTRICT JUDGE
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