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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 **DEDICATED SOUND AND AUDIO,**
16 **INC., and STEVEN VENTRE,**

17 Defendants.

Case No.: 8:18-cv-323-AG (AGRx)

FINAL JUDGMENT AS TO
DEFENDANTS DEDICATED SOUND
AND AUDIO, INC. AND STEVEN
VENTRE

1 The Securities and Exchange Commission (“SEC” or “Commission”) having
2 filed a Complaint and defendants Dedicated Sound and Audio, Inc. (“DSA”) and
3 Steven Ventre (“Ventre”) (together, “Defendants”) having entered general
4 appearances; consented to the Court’s jurisdiction over Defendants and the subject
5 matter of this action; consented to entry of this Final Judgment without admitting or
6 denying the allegations of the Complaint (except as to jurisdiction and except as
7 otherwise provided herein in paragraph VIII); waived findings of fact and
8 conclusions of law; and waived any right to appeal from this Final Judgment:

9 **I.**

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

- 17 (a) to employ any device, scheme, or artifice to defraud;
18 (b) to make any untrue statement of a material fact or to omit to state a
19 material fact necessary in order to make the statements made, in the light
20 of the circumstances under which they were made, not misleading; or
21 (c) to engage in any act, practice, or course of business which operates or
22 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) DSA’s and Ventre’s officers, agents, servants, employees,
27 and attorneys; and (b) other persons in active concert or participation with DSA or
28 Ventre or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that defendants DSA and Ventre are 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) DSA’s and Ventre’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with DSA or Ventre or with anyone described in (a).

III.

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

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in

1 interstate commerce or of the mails to sell such security through the use
2 or medium of any prospectus or otherwise;

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

7 (c) Making use of any means or instruments of transportation or
8 communication in interstate commerce or of the mails to offer to sell or
9 offer to buy through the use or medium of any prospectus or otherwise
10 any security, unless a registration statement has been filed with the
11 Commission as to such security, or while the registration statement is the
12 subject of a refusal order or stop order or (prior to the effective date of
13 the registration statement) any public proceeding or examination under
14 Section 8 of the Securities Act [15 U.S.C. § 77h].

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) DSA's and Ventre's officers, agents, servants, employees,
19 and attorneys, and (b) other persons in active concert or participation with DSA or
20 Ventre or with anyone described in (a).

21 **IV.**

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that:
23 (a) Defendant DSA is liable for a civil penalty in the amount of \$250,000, and (b)
24 Defendant Ventre is liable for a civil penalty in the amount of \$80,000, both pursuant
25 to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the
26 Exchange Act, 15 U.S.C. § 78u(d)(3). DSA shall satisfy its obligation by paying
27 \$250,000 to the Securities and Exchange Commission pursuant to the terms of the
28 payment schedule set forth in paragraph V below, and Ventre shall satisfy its

1 obligation by paying \$80,000 to the Securities and Exchange Commission pursuant to
2 the terms of the payment schedule set forth in paragraph VI below.

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

9 Enterprise Services Center
10 Accounts Receivable Branch
11 6500 South MacArthur Boulevard
12 Oklahoma City, OK 73169

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

16 Defendants shall simultaneously transmit photocopies of evidence of payment
17 and case identifying information to the Commission's counsel in this action. By
18 making this payment, Defendants relinquish all legal and equitable right, title, and
19 interest in such funds and no part of the funds shall be returned to Defendants.

20 Defendants shall pay post judgment interest on any delinquent amounts
21 pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with
22 any interest and income earned thereon (collectively, the "Fund"), pending further
23 order of the Court.

24 The Commission may propose a plan to distribute the Fund subject to the
25 Court's approval. Such a plan may provide that the Fund shall be distributed
26 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
27 2002. The Court shall retain jurisdiction over the administration of any distribution
28 of the Fund. If the Commission staff determines that the Fund will not be distributed,

- 1 (5) \$20,833.33 within 480 days of entry of this Final Judgment;
- 2 (6) \$20,833.33 within 510 days of entry of this Final Judgment;
- 3 (7) \$20,833.33 within 540 days of entry of this Final Judgment;
- 4 (8) \$20,833.33 within 570 days of entry of this Final Judgment;
- 5 (9) \$20,833.33 within 600 days of entry of this Final Judgment;
- 6 (10) \$20,833.33 within 630 days of entry of this Final Judgment;
- 7 (11) \$20,833.33 within 660 days of entry of this Final Judgment; and
- 8 (12) \$20,833.37 within 690 days of entry of this Final Judgment.

9 Payments shall be deemed made on the date they are received by the SEC and shall
10 be applied first to post-judgment interest, which accrues pursuant to 28 U.S.C. § 1961
11 on any unpaid amounts due after 14 days of the entry of Final Judgment. Prior to
12 making the final payment set forth herein, DSA shall contact the staff of the SEC for
13 the amount due for the final payment.

14 If DSA fails to make any payment by the date agreed and/or in the amount
15 agreed according to the schedule set forth above, all outstanding payments owed by
16 DSA under this Final Judgment, including post-judgment interest, minus any
17 payments made, shall become due and payable immediately at the discretion of the
18 staff of the SEC without further application to the Court.

19 VI.

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 defendant Ventre shall pay to the SEC its civil penalty of \$80,000 in 12 installments
22 according to the following schedule:

- 23 (1) \$6,666.67 within 360 days of entry of this Final Judgment;
- 24 (2) \$6,666.67 within 390 days of entry of this Final Judgment;
- 25 (3) \$6,666.67 within 420 days of entry of this Final Judgment;
- 26 (4) \$6,666.67 within 450 days of entry of this Final Judgment;
- 27 (5) \$6,666.67 within 480 days of entry of this Final Judgment;
- 28 (6) \$6,666.67 within 510 days of entry of this Final Judgment;

- 1 (7) \$6,666.67 within 540 days of entry of this Final Judgment;
- 2 (8) \$6,666.67 within 570 days of entry of this Final Judgment;
- 3 (9) \$6,666.67 within 600 days of entry of this Final Judgment;
- 4 (10) \$6,666.67 within 630 days of entry of this Final Judgment;
- 5 (11) \$6,666.67 within 660 days of entry of this Final Judgment; and
- 6 (12) \$6,666.63 within 690 days of entry of this Final Judgment.

7 Payments shall be deemed made on the date they are received by the SEC and shall
8 be applied first to post-judgment interest, which accrues pursuant to 28 U.S.C. § 1961
9 on any unpaid amounts due after 14 days of the entry of Final Judgment. Prior to
10 making the final payment set forth herein, Ventre shall contact the staff of the SEC
11 for the amount due for the final payment.

12 If Ventre fails to make any payment by the date agreed and/or in the amount
13 agreed according to the schedule set forth above, all outstanding payments owed by
14 Ventre under this Final Judgment, including post-judgment interest, minus any
15 payments made, shall become due and payable immediately at the discretion of the
16 staff of the SEC without further application to the Court.

17 **VII.**

18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
19 Consent of Defendant Dedicated Sound and Audio, Inc. and Steven Ventre to Entry
20 of Final Judgment is incorporated herein with the same force and effect as if fully set
21 forth herein, and that Defendants shall comply with all of the undertakings and
22 agreements set forth therein.

23 **VIII.**

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for
25 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
26 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
27 and further, any debt for disgorgement, prejudgment interest, civil penalty or other
28 amounts due by Defendants under this Final Judgment or any other judgment, order,

1 consent order, decree or settlement agreement entered in connection with this
2 proceeding, is a debt for the violation by Defendants of the federal securities laws or
3 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of
4 the Bankruptcy Code, 11 U.S.C. §523(a)(19).

5 **IX.**

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

9 **X.**

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

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15 Dated: March 02, 2018



16 HON. ANDREW J. GUILFORD
17 UNITED STATES DISTRICT JUDGE
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