

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

UNITED STATES SECURITIES  
AND EXCHANGE COMMISSION,  
  
Plaintiff,  
  
vs.  
  
BUD GENIUS, INC. and AARON  
“ANGEL” STANZ  
  
Defendants.

Case No. 18-cv-01005-MMA (KSC)

**FINAL JUDGMENT AS TO  
DEFENDANT AARON “ANGEL”  
STANZ**

The Securities and Exchange Commission having filed a Complaint and Defendant Aaron “Angel” Stanz (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph IX); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

///

**I.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant is permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a) and (c)] 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 interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or
- (b) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

**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 ORDERED, ADJUDGED, AND DECREED** that Defendant is permanently restrained and enjoined from violating Sections 17(a)(1) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1) and 77q(a)(3)] in the offer

1 or sale of any securities by the use of any means or instruments of transportation or  
2 communication in interstate commerce or by use of the mails, directly or indirectly:

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

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

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 **III.**

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

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

21 (b) to make any untrue statement of material fact or omitting to state a  
22 material fact necessary in order to make the statement made, in  
23 light of the circumstances under which they were made, not  
24 misleading; or

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

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
28 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 FURTHER ORDERED, ADJUDGED, AND DECREED** that,  
7 pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section  
8 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant is prohibited for a period  
9 of five (5) year following the date of entry of the Final Judgment from acting as an  
10 officer or director of any issuer that has a class of securities registered pursuant to  
11 Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports  
12 pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

13 **V.**

14 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant  
15 is prohibited for a period of five (5) year following the date of entry of the Final  
16 Judgment from participating in any offering of penny stock, including engaging in  
17 activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing  
18 or attempting to induce the purchase or sale of any penny stock. A penny stock is any  
19 equity security that has a price of less than five dollars, except as provided in Rule  
20 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

21 **VI.**

22 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant  
23 is liable for disgorgement of \$141,084, representing profits gained as a result of the  
24 conduct alleged in the Complaint, plus prejudgment interest thereon in the amount of  
25 \$17,745, for a total of \$158,829. Based on Defendant's sworn representations in his  
26 Statement of Financial Condition, dated January 31, 2018, and other documents and  
27 information submitted to the Commission, however, the Court is not ordering  
28

1 Defendant to pay a civil penalty and payment of all but \$50,000 of the disgorgement  
2 and prejudgment interest thereon is waived.

3 The determination not to impose a civil penalty and to waive payment of all but  
4 \$50,000 of the disgorgement and prejudgment interest is contingent upon the  
5 accuracy and completeness of Defendant's Statement of Financial Condition. If at  
6 any time following the entry of this Final Judgment the Commission obtains  
7 information indicating that Defendant's representations to the Commission  
8 concerning his assets, income, liabilities, or net worth were fraudulent, misleading,  
9 inaccurate, or incomplete in any material respect as of the time such representations  
10 were made, the Commission may, at its sole discretion and without prior notice to  
11 Defendant, petition the Court for an order requiring Defendant to pay the unpaid  
12 portion of the disgorgement, prejudgment and post-judgment interest thereon, and the  
13 maximum civil penalty allowable under the law. In connection with any such  
14 petition, the only issue shall be whether the financial information provided by  
15 Defendant was fraudulent, misleading, inaccurate, or incomplete in any material  
16 respect as of the time such representations were made. In its petition, the  
17 Commission may move this Court to consider all available remedies, including, but  
18 not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of  
19 any assets, or sanctions for contempt of this Final Judgment. The Commission may  
20 also request additional discovery. Defendant may not, by way of defense to such  
21 petition: (1) challenge the validity of the Consent or this Final Judgment; (2) contest  
22 the allegations in the Complaint filed by the Commission; (3) assert that payment of  
23 disgorgement, prejudgment and post-judgment interest or a civil penalty should not  
24 be ordered; (4) contest the amount of disgorgement and prejudgment and post-  
25 judgment interest; (5) contest the imposition of the maximum civil penalty allowable  
26 under the law; or (6) assert any defense to liability or remedy, including, but not  
27 limited to, any statute of limitations defense. Defendant shall also pay post-judgment  
28 interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

1 Defendant shall satisfy this payment obligation by making payment to the  
2 Securities and Exchange Commission pursuant to the terms of the payment schedule  
3 set forth in paragraph VII below after entry of this Final Judgment.

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

10 Enterprise Services Center

11 Accounts Receivable Branch

12 6500 South MacArthur Boulevard

13 Oklahoma City, OK 73169

14 and shall be accompanied by a letter identifying the case title, civil action number,  
15 and name of this Court; Aaron "Angel" Stanz as a defendant in this action; and  
16 specifying that payment is made pursuant to this Final Judgment.

17 Defendant shall simultaneously transmit photocopies of evidence of payment  
18 and case identifying information to the Commission's counsel in this action. By  
19 making this payment, Defendant relinquishes all legal and equitable right, title, and  
20 interest in such funds and no part of the funds shall be returned to Defendant. The  
21 Commission shall send the funds paid pursuant to this Final Judgment to the United  
22 States Treasury.

23 The Commission may enforce the Court's judgment for disgorgement and  
24 prejudgment interest by moving for civil contempt (and/or through other collection  
25 procedures authorized by law) at any time after payments are due pursuant to the  
26 payment schedule. Defendant shall pay post judgment interest on any delinquent  
27 amounts of disgorgement, prejudgment interest, and civil penalties, pursuant to 28  
28 U.S.C. § 1961.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**VII.**

Defendant shall pay disgorgement of \$50,000 in four (4) installments to the Commission according to the following schedule: (1) First Installment: \$10,000 to be held in escrow and due within five (5) days of entry of this Final Judgment; (2) Second Installment: \$6,667 due by December 31, 2018; (3) Third Installment: \$16,667 due by December 31, 2019; and (4) Final Installment: \$16,666 due by December 31, 2020. Payments shall be deemed made on the date they are received by the Commission. Prior to making the final payment set forth herein, Defendant shall contact the staff of the Commission for the amount due for the final payment.

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

**VIII.**

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

**IX.**

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

1 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of  
2 the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

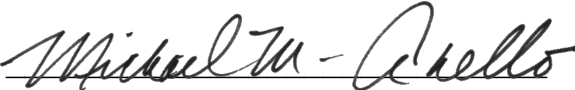
3 **X.**

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

7 **XI.**

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

11  
12 Dated: May 24, 2018

13   
14 HON. MICHAEL M. ANELLO  
15 United States District Judge  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28