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8 **UNITED STATES DISTRICT COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**
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12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 NL TECHNOLOGY, LLC, JONNY
17 NGO, and DONATO BACA, JR.,
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20 Defendants.
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Case No. 3:18-cv-02253-L-AGS

**FINAL JUDGMENT AS TO
DEFENDANT DONATO BACA, JR.**

FINAL JUDGMENT AS TO DEFENDANT DONATO BACA, JR.

The Securities and Exchange Commission having filed a Complaint and Defendant Donato Baca, Jr. (“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 VII); 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, 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 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 FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is 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 interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

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

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

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

19 IV.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
21 and his agents, servants, employees, and attorneys, and those persons in active
22 concert or participation with any of them, who receive actual notice of the judgment
23 by personal service or otherwise, and each of them, are permanently enjoined from
24 soliciting, accepting, or depositing any monies from actual or prospective investors in
25 connection with any offering of securities; provided, however, that such injunction
26 shall not prevent Defendant from purchasing or selling securities listed on a national
27 securities exchange for his own personal accounts.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$4,700,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$256,647, and a civil penalty in the amount of \$960,000, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall satisfy this obligation by paying \$5,916,647 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

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

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

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

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

The Commission may enforce the Court's judgment for disgorgement and

1 prejudgment interest by moving for civil contempt (and/or through other collection
2 procedures authorized by law) at any time after 14 days following entry of this Final
3 Judgment. Defendant shall pay post judgment interest on any delinquent amounts
4 pursuant to 28 U.S.C. § 1961.

5 VI.

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

10 VII.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
12 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
13 11 U.S.C. § 523, the allegations in the Complaint are true and admitted by Defendant,
14 and further, any debt for disgorgement, prejudgment interest, civil penalty, or other
15 amounts due by Defendant under this Final Judgment or any other judgment, order,
16 consent order, decree, or settlement agreement entered in connection with this
17 proceeding, is a debt for the violation by Defendant of the federal securities laws or
18 any regulation or order issued under such laws, as set forth in Section 523(a)(19) of
19 the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

20 VIII.

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

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IX.

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 Judgment forthwith and without further notice.

Dated: February 8, 2019


Hon. M. James Lorenz
United States District Judge