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

SECURITIES AND EXCHANGE  
COMMISSION,  
  
Plaintiff,  
  
vs.  
  
CAROL ANN PEDERSEN,  
  
Defendant.

Case No. 2:19-cv-02069-ODW-FFM

**FINAL JUDGMENT AS TO DEFENDANT CAROL ANN PEDERSEN**

The Securities and Exchange Commission having filed a Complaint and Defendant Carol Ann Pedersen 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; 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

1 Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated  
2 thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce,  
3 or of the mails, or of any facility of any national securities exchange, in connection with the  
4 purchase or sale of any security:

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

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

16 II.

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

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

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal

1 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive  
2 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers,  
3 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation  
4 with Defendant or with anyone described in (a).

5 III.

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
7 permanently restrained and enjoined from violating Sections 206(1) and (2) of the Investment  
8 Advisers Act of 1940 (the “Advisers Act”) [15 U.S.C. §§ 80b-6(1) and (2)], by, while acting as an  
9 investment adviser, using the mails or any means or instrumentalities of interstate commerce,  
10 directly or indirectly:

- 11 (a) to employ any device, scheme, or artifice to defraud any client or prospective client;  
12 or  
13 (b) to engage in any transaction, practice, or course of business which operates as a  
14 fraud or deceit upon any client or prospective client.

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

20 IV.

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
22 permanently restrained and enjoined from violating Section 206(4) of the Advisers Act [15 U.S.C. §  
23 80b-6(4)] and Rule 206(4)-8 promulgated thereunder [17 C.F.R. § 275.206(4)-8], by, while acting  
24 as an investment adviser to a pooled investment vehicle, using the mails or any means or  
25 instrumentalities of interstate commerce, directly or indirectly, to:

- 26 (a) make any untrue statement of a material fact or omit to state a material fact necessary  
27 to make the statements made, in light of the circumstances under which they were  
28 made, not misleading, to any investor or prospective investor in the pooled

1 investment vehicle; or

- 2 (b) otherwise engage in any act, practice, or course of business that was fraudulent,  
3 deceptive, or manipulative with respect to any investor or prospective investor in the  
4 pooled investment vehicle.

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

10 V.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for  
12 disgorgement in the amount of \$2,283,240, plus prejudgment interest thereon in the amount of  
13 \$462,411.26. This obligation will be deemed satisfied upon the entry of an anticipated order of  
14 restitution equal to or greater than the disgorgement amount in the criminal proceeding *U.S. v.*  
15 *Pedersen*, Case No. CR 19-0013-DMG (C.D. Cal.). Further, a civil penalty shall not be imposed in  
16 consideration of Pedersen's anticipated criminal conviction pursuant to a guilty plea and anticipated  
17 prison sentence in *U.S. v. Pedersen*, Case No. CR 19-0013-DMG (C.D. Cal.).

18 VI.

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

22 VII.


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

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

3 VIII.

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

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7 Dated: March 29, 2019



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UNITED STATES DISTRICT JUDGE  
OTIS D. WRIGHT II

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