

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 19-CIV-81652-RAR

**U.S. SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**PALM BEACH ATLANTIC FINANCIAL
GROUP, LLC and WILLIAM A. SMITH,**

Defendants.

**FINAL JUDGMENT AS TO DEFENDANTS
PALM BEACH ATLANTIC FINANCIAL GROUP, LLC AND WILLIAM A. SMITH**

THIS CAUSE comes before the Court upon Plaintiff's Unopposed Motion for Entry of Final Judgment Against Defendants Palm Beach Atlantic Financial Group, LLC and William A. Smith [ECF No. 3] ("Motion") filed on December 11, 2019. For the reasons set forth in the Order Granting the Motion [ECF No. 4], entered separately on December 11, 2019, it is hereby

ORDERED and ADJUDGED that Consent Final Judgment is **ENTERED** in favor of Plaintiff and against Defendants as follows:

1. Permanent Injunctive Relief: Defendants are 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; by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:
 - (A) any investment in or offering of securities,
 - (B) the registration status of such offering or of such securities,
 - (C) the prospects for success of any product or company,
 - (D) the use of investor funds, or
 - (E) the misappropriation of investor funds or investment proceeds.
- (d) 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) Defendants' officers, agents, servants, employees, and attorneys; and
 - (B) other persons in active concert or participation with Defendants or with anyone described in (A).

2. Permanent Injunctive Relief: Defendants 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; by, directly or indirectly,
 - (i) creating a false appearance or otherwise deceiving any person, or
 - (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:
 - (A) any investment in or offering of securities,
 - (B) the registration status of such offering or of such securities,
 - (C) the prospects for success of any product or company,
 - (D) the use of investor funds, or
 - (E) the misappropriation of investor funds or investment proceeds.
- (d) 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) Defendants' officers, agents, servants, employees, and attorneys; and
 - (B) other persons in active concert or participation with Defendants or with anyone described in (A).

3. Permanent Injunctive Relief: Defendants are permanently restrained and enjoined from violating Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a), (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;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) 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].
- (d) 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) Defendants' officers, agents, servants, employees, and attorneys; and
 - (B) other persons in active concert or participation with Defendants or with anyone described in (A).

4. Civil Penalty: Defendants shall pay, jointly and severally, a civil penalty in the amount of **\$75,000** to the Securities and Exchange Commission 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)]. **Defendants shall make this payment within 30 days after entry of this Final Judgment.** Defendants may transmit payment to the Commission electronically. The Commission will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov via the Commission's website at <http://www.sec.gov/about/offices/ofm.htm>. Defendants 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; Smith or PBAFG as Defendants in this action; and specifying that payment is made pursuant to this Final Judgment. Defendants shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendants. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury. Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

5. 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 Smith, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant Smith 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 Smith of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

6. The Court shall **RETAIN** jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

7. The Clerk shall mark this case as **CLOSED**.

8. Any pending motions are **DENIED as moot**.

DONE AND ORDERED in Fort Lauderdale, Florida, this 11th day of December, 2019.

A handwritten signature in black ink, appearing to read 'Rodolfo Ruiz', written over a horizontal line.

RODOLFO RUIZ
UNITED STATES DISTRICT JUDGE