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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

ANTHONY TODD JOHNSON (aka
TODD JOHNSON), et al,

Defendants.

Case No. 5:20-cv-01493-MCS(SHKx)

**FINAL JUDGMENT AS TO
DEFENDANT MICHAEL R.
GREGORY**

The Securities and Exchange Commission having filed a Complaint and Defendant Michael R. Gregory 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 VI); 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 HEREBY 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

1 material fact or any omission of a material fact necessary in order to
2 make the statements made, in light of the circumstances under which
3 they were made, not misleading; or

- 4 (c) 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 FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant is permanently restrained and enjoined from violating Section 5 of the
15 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
16 applicable exemption:

- 17 (a) Unless a registration statement is in effect as to a security, making use of
18 any means or instruments of transportation or communication in
19 interstate commerce or of the mails to sell such security through the use
20 or medium of any prospectus or otherwise;
- 21 (b) Unless a registration statement is in effect as to a security, carrying or
22 causing to be carried through the mails or in interstate commerce, by any
23 means or instruments of transportation, any such security for the purpose
24 of sale or for delivery after sale; or
- 25 (c) Making use of any means or instruments of transportation or
26 communication in interstate commerce or of the mails to offer to sell or
27 offer to buy through the use or medium of any prospectus or otherwise
28 any security, unless a registration statement has been filed with the

1 Commission as to such security, or while the registration statement is the
2 subject of a refusal order or stop order or (prior to the effective date of
3 the registration statement) any public proceeding or examination under
4 Section 8 of the Securities Act [15 U.S.C. § 77h].

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

11 IV.

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
13 Defendant is liable for a civil penalty in the amount of \$192,768 pursuant to Section
14 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange
15 Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying
16 \$192,768 to the Securities and Exchange Commission within 30 days after entry of
17 this Final Judgment.

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

24 Enterprise Services Center
25 Accounts Receivable Branch
26 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

27 and shall be accompanied by a letter identifying the case title, civil action number,
28 and name of this Court; Michael R. Gregory as a defendant in this action; and

1 specifying that payment is made pursuant to this Final Judgment.

2 Defendant shall simultaneously transmit photocopies of evidence of payment
3 and case identifying information to the Commission’s counsel in this action. By
4 making this payment, Defendant relinquishes all legal and equitable right, title, and
5 interest in such funds and no part of the funds shall be returned to Defendant.

6 Defendant shall pay post judgment interest on any delinquent amounts pursuant
7 to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest
8 and income earned thereon (collectively, the “Fund”), pending further order of the
9 Court.

10 The Commission may propose a plan to distribute the Fund subject to the
11 Court’s approval. Such a plan may provide that the Fund shall be distributed
12 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of
13 2002. The Court shall retain jurisdiction over the administration of any distribution
14 of the Fund. If the Commission staff determines that the Fund will not be distributed,
15 the Commission shall send the funds paid pursuant to this Final Judgment to the
16 United States Treasury.

17 Regardless of whether any such Fair Fund distribution is made, amounts
18 ordered to be paid as civil penalties pursuant to this Judgment shall be treated as
19 penalties paid to the government for all purposes, including all tax purposes. To
20 preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or
21 reduction of any award of compensatory damages in any Related Investor Action
22 based on Defendant’s payment of disgorgement in this action, argue that he is entitled
23 to, nor shall he further benefit by, offset or reduction of such compensatory damages
24 award by the amount of any part of Defendant’s payment of a civil penalty in this
25 action (“Penalty Offset”). If the court in any Related Investor Action grants such a
26 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting
27 the Penalty Offset, notify the Commission’s counsel in this action and pay the amount
28 of the Penalty Offset to the United States Treasury or to a Fair Fund, as the

1 Commission directs. Such a payment shall not be deemed an additional civil penalty
2 and shall not be deemed to change the amount of the civil penalty imposed in this
3 Judgment. For purposes of this paragraph, a “Related Investor Action” means a
4 private damages action brought against Defendant by or on behalf of one or more
5 investors based on substantially the same facts as alleged in the Complaint in this
6 action.

7 V.

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

12 VI.

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

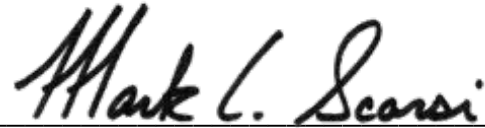
22 VII.

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

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 Final Judgment forthwith and without further notice.

Dated: November 24, 2020



MARK C. SCARSI
UNITED STATES DISTRICT JUDGE

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