

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**ANDREW I. FARMER,  
CHARLES E. GROB, JR.,  
CAROLYN AUSTIN,  
BALDEMAR P. RIOS, and  
CHIMERA ENERGY CORP.**

**Defendants**

§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§  
§

**Case No.: 4:14-CV-2345**

**JURY TRIAL DEMANDED**

**AGREED PARTIAL JUDGMENT AS TO DEFENDANT CHARLES E. GROB, JR.**

The Securities and Exchange Commission (the "Commission") having filed a Complaint and Defendant Charles E. Grob, 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 Agreed Partial Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Agreed Partial Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violation of Sections 17(a)(1), (2) and (3) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §77q(a)(1), (2) and (3)] and Section 10(b) of the Securities Exchange Act of 1934 and ("Exchange Act") [15 U.S.C. §78j(b)] and Rules 10b-5(a) and (c) thereunder [17 C.F.R. §240.10b-5-5(a) and (c)].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting violation of Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)] and Rules 15d-1 and 15d-13 thereunder [17 C.F.R. §240.15d-1 and 240.15d-13].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraphs also bind the following who receive actual notice of this Agreed Partial 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).

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant, his agents, servants, employees, attorneys, and all persons in active concert or participation with him, are permanently restrained and enjoined from directly or indirectly, participating in the offer, issuance, purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the issue of the payment by Defendant of (1) disgorgement of ill-gotten gains flowing to Defendant from the conduct described in the Complaint, and any prejudgment interest thereon, and (2) a civil

penalty 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. § 77u(d)(3)] shall be heard by the Court upon motion by the Commission. The Court shall determine the amounts, if any, of the disgorgement and civil penalty upon motion of the Commission. Prejudgment interest shall be calculated from a date set by the Court based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2).

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the issue of the entry of an injunction restraining and enjoining Defendant from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], shall also be heard by the Court in upon motion of the Commission. The Court shall determine the time period, if any, for the injunction at the Motion of the Commission.

VII.

In connection with the Commission's motions for disgorgement, civil penalties, and injunction, and at any hearing held on such a motions: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Agreed Partial Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motions on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and

documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motions for disgorgement, civil penalties, and injunction, the parties may take discovery, including discovery from appropriate non-parties.

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.

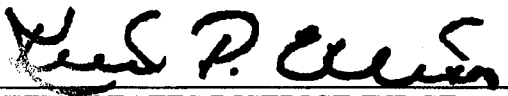
IX.

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

X.

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 Agreed Partial Judgment forthwith and without further notice.

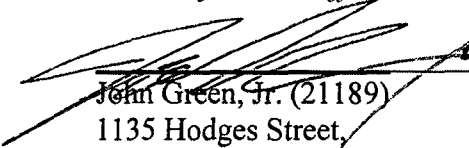
Dated: August 27, 2015

  
UNITED STATES DISTRICT JUDGE  
Keith P. Ellison

Agreed as to form:

s/Matthew J. Gulde  
Matthew J. Gulde  
U.S. Securities and Exchange Commission

801 Cherry Street, 19<sup>th</sup> Floor  
Fort Worth, Texas 76102  
(817) 978-1410 *phone*  
(817) 978-4927 *fax*  
*Counsel for Plaintiff Securities and Exchange Commission*



~~John Green, Jr. (21189)~~  
1135 Hodges Street,  
Lake Charles, LA 70601  
*Phone (337) 990-0060*  
*Fax (337) 990-0059*  
*Counsel for Defendant Charles Grob*