

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

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

DANIEL R. BAKER,

Defendant.

Case No. CV 14-5754 JFW (AGRx)

**JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF
AS TO DEFENDANT DANIEL R. BAKER**

The Securities and Exchange Commission having filed a Complaint, and Defendant Daniel R. Baker having entered a general appearance; consented to the Court's jurisdiction over Baker and the subject matter of this action; consented to entry of this Judgment waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

**SECTION 10(B) AND RULE 10B-5 OF THE
SECURITIES EXCHANGE ACT OF 1934**

IT ORDERED AND ADJUDGED that Baker and Baker's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise 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. §

1 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
2 any means or instrumentality of interstate commerce, or of the mails, or of any
3 facility of any national securities exchange, in connection with the purchase or sale
4 of any security:
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6 (a) to employ any device, scheme, or artifice to defraud;

7 (b) to make any untrue statement of a material fact or to omit to state a
8 material fact necessary in order to make the statements made, in the
9 light of the circumstances under which they were made, not misleading;
10 or
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12 (c) to engage in any act, practice, or course of business which operates or
13 would operate as a fraud or deceit upon any person.
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15 **II.**

16 **SECTION 17(a) OF THE SECURITIES ACT OF 1933**

17 **IT IS FURTHER ORDERED AND ADJUDGED** that Baker and Baker's
18 agents, servants, employees, attorneys, and all persons in active concert or
19 participation with them who receive actual notice of this Judgment by personal
20 service or otherwise are permanently restrained and enjoined from violating Section
21 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the
22 offer or sale of any security by the use of any means or instruments of transportation
23 or communication in interstate commerce or by use of the mails, directly or
24 indirectly:
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- 1 (a) to employ any device, scheme, or artifice to defraud;
- 2 (b) to obtain money or property by means of any untrue statement of a
- 3 material fact or any omission of a material fact necessary in order to
- 4 make the statements made, in light of the circumstances under which
- 5 they were made, not misleading; or
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- 7 (c) to engage in any transaction, practice, or course of business which
- 8 operates or would operate as a fraud or deceit upon the purchaser.
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10 **III.**

11 **SECTION 15(a) OF THE EXCHANGE ACT**

12 **IT IS FURTHER ORDERED AND ADJUDGED** that Baker and his agents,

13 servants, employees, attorneys, and those persons in active concert or participation

14 with them, and each of them, are hereby retrained and enjoined from violating,

15 directly or indirectly, Section 15(a) of the Exchange Act [15 U.S.C. § 78o], by

16 making use of the mails or any means or instrumentality of interstate commerce to

17 effect any transactions in, or to induce or attempt to induce the purchase or sale of,

18 any security (other than an exempted security or commercial paper, bankers'

19 acceptances, or commercial bills) unless such broker or dealer is registered with the

20 Commission.

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IV.

SECTIONS 5(a) AND 5(c) OF THE SECURITIES ACT

IT IS FURTHER ORDERED AND ADJUDGED that Baker and Baker's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are 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;
- (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

1 the subject of a refusal order or stop order or (prior to the effective date
2 of the registration statement) any public proceeding or examination
3 under Section 8 of the Securities Act [15 U.S.C. § 77h].
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5 **V.**

6 **PENNY STOCK BAR**

7 **IT IS FURTHER ORDERED AND ADJUDGED** that Baker is permanently
8 barred from participating in an offering of penny stock, including engaging in
9 activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing
10 or attempting to induce the purchase or sale of any penny stock. A penny stock is
11 any equity security that has a price of less than five dollars, except as provided in
12 Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].
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15 **VI.**

16 **PAYMENT OF DISGORGEMENT, PREJUDGMENT INTEREST**
17 **AND A CIVIL PENALTY**

18 **IT IS FURTHER ORDERED AND ADJUDGED** that Baker shall pay
19 disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty
20 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section
21 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Court shall determine
22 the amounts of the disgorgement and civil penalty upon motion of the Commission.
23 Prejudgment interest shall be calculated from November 30, 2012, based on the rate
24 of interest used by the Internal Revenue Service for the underpayment of federal
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1 income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the
2 Commission's motion for disgorgement and/or civil penalties, and at any hearing
3 held on such a motion: (a) Baker will be precluded from arguing that he did not
4 violate the federal securities laws as alleged in the Complaint; (b) Baker may not
5 challenge the validity of the Consent or this Judgment; (c) solely for the purposes of
6 such motion, the allegations of the Complaint shall be accepted as and deemed true
7 by the Court; and (d) the Court may determine the issues raised in the motion on the
8 basis of affidavits, declarations, excerpts of sworn deposition or investigative
9 testimony, and documentary evidence, without regard to the standards for summary
10 judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In
11 connection with the Commission's motion for disgorgement and/or civil penalties,
12 the parties may take discovery, including discovery from appropriate non-parties.
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17 **VII.**

18 **RETENTION OF JURISDICTION**

19 **IT IS FURTHER ORDERED AND ADJUDGED** that this Court shall retain
20 jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.
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