

1
2
3
4
5
6
7
8
9
10
11
12
13
14

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

Securities and Exchange Commission,
Plaintiff,
v.
Janus Spectrum LLC, et al.,
Defendants.

) No. CV-15-609-PHX-SMM
)
)
) **RULE 54(b) JUDGMENT AS TO**
) **DEFENDANT RAYMON G.**
) **CHADWICK, JR.**
)
)
)

The Securities and Exchange Commission having filed a Complaint and Defendant Raymon G. Chadwick, 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 Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VII); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and his 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 Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) and (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

28

1 means or instruments of transportation or communication in interstate
2 commerce or of the mails to sell such security through the use or medium of
3 any prospectus or otherwise; or

- 4 (c) Making use of any means or instruments of transportation or communication
5 in interstate commerce or of the mails to offer to sell or offer to buy through
6 the use or medium of any prospectus or otherwise any security, unless a
7 registration statement has been filed with the Commission as to such security,
8 or while the registration statement is the subject of a refusal order or stop order
9 or (prior to the effective date of the registration statement) any public
10 proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. §
11 77h.

12 II.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and his
14 agents, servants, employees, attorneys, and all persons in active concert or participation with
15 them who receive actual notice of this Judgment by personal service or otherwise are
16 permanently restrained and enjoined from violating Section 17(a) of the Securities Act, 15
17 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments
18 of transportation or communication in interstate commerce or by use of the mails, directly
19 or indirectly:

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

27 III.

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and his

1 agents, servants, employees, attorneys, and all persons in active concert or participation with
2 them who receive actual notice of this Judgment by personal service or otherwise are
3 permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of
4 the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule
5 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality
6 of interstate commerce, or of the mails, or of any facility of any national securities exchange,
7 in connection with the purchase or sale of any security:

8 (a) to employ any device, scheme, or artifice to defraud;

9 (b) to make any untrue statement of a material fact or to omit to state a material
10 fact necessary in order to make the statements made, in the light of the
11 circumstances under which they were made, not misleading; or

12 (c) to engage in any act, practice, or course of business which operates or would
13 operate as a fraud or deceit upon any person.

14 IV.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and
16 his agents, servants, employees, attorneys, and all persons in active concert or participation
17 with them who receive actual notice of this Judgment by personal service or otherwise are
18 permanently restrained and enjoined from violating, directly or indirectly, Section 15(a) of
19 the Exchange Act, 15 U.S.C. § 78o(a), which makes it unlawful for any broker or dealer
20 which is either a person other than a natural person or a natural person, to make use of the
21 mails or any means or instrumentality of interstate commerce to effect any transactions in,
22 or to induce or attempt to induce the purchase or sale of, any security (other than an
23 exempted security or commercial paper, bankers' acceptances, or commercial bills) unless
24 such broker or dealer is registered in accordance with Section 15(b) of the Exchange Act, 15
25 U.S.C. § 78o(b).

26 IV.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall
28 pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty

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

17 V.

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

21 VI.

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

1 as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

2 VII.

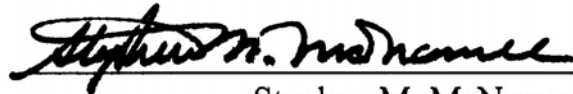
3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall
4 retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

5 VIII.

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that there being no just
7 reason for delay, the Court enters this Judgment pursuant to Rule 54(b) of the Federal Rules
8 of Civil Procedure.

9 IT IS FURTHER ORDERED that the Clerk of Court forward a copy of this Judgment
10 to the Chambers of United States Bankruptcy Judge for the District of Arizona, Hon. George
11 B. Nielsen.

12 DATED this 16th day of February, 2016.

13
14 

15 _____
16 Stephen M. McNamee
17 Senior United States District Judge
18
19
20
21
22
23
24
25
26
27
28