

JS-6

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

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

STUART FROST; and FROST  
MANAGEMENT COMPANY, LLC,  
Defendants.

Case No. 8:19-cv-01559-SPG-JDE

**FINAL JUDGMENT AS TO  
DEFENDANT STUART FROST**

1 The Securities and Exchange Commission having filed a Complaint and Defendant  
2 Stuart Frost (“Defendant”) having entered a general appearance; consented to the Court’s  
3 jurisdiction over Defendant and the subject matter of this action; consented to entry of this  
4 Final Judgment without admitting or denying the allegations of the Complaint (except as  
5 to jurisdiction and except as otherwise provided herein in paragraph IV and the admitted  
6 facts and his admission that he negligently violated Section 206(4) of the Advisers Act and  
7 Rule 206(4)-8 thereunder (*see* Dkt. No. 157-1); waived findings of fact and conclusions of  
8 law; and waived any right to appeal from this Final Judgment:

9  
10 I.

11 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is  
12 permanently restrained and enjoined from violating Sections 206(1) and 206(2) the  
13 Investment Advisers Act of 1940 [15 U.S.C. §§ 80b-6(1) and 80b-6(2)], by:

- 14 1. employing any device, scheme or artifice to defraud any client or prospective  
15 client; and  
16 2. engaging in any transaction, practice, or course of business which operates or  
17 would operate as a fraud or deceit upon any client or prospective client.

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

23  
24 II.

25 IT IS HEREBY FUTHER ORDERED, ADJUDGED, AND DECREED that  
26 Defendant is permanently restrained and enjoined from violating Section 206(4) of the  
27 Advisers Act [15 U.S.C. § 80b-6(4)], and Rule 206(4)-8 thereunder [17 C.F.R.  
28 § 275.206(4)-8], by: (i) making any untrue statement of material fact or omitting to state a

1 material fact necessary to make the statements made, in light of the circumstances under  
2 which they were made, not misleading to any investor or prospective investor in the pooled  
3 investment vehicle; or (ii) otherwise engaging in any act, practice, or course of business  
4 that is fraudulent, deceptive, or manipulative with respect to any investor or prospective  
5 investor in the pooled investment vehicle.

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

11  
12 III.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall  
14 pay a civil penalty in the amount of \$150,000.00 to the Securities and Exchange  
15 Commission pursuant to Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].  
16 Defendant shall make this payment within 30 days after entry of this Final Judgment.

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

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

27 and shall be accompanied by a letter identifying the case title, civil action number, and  
28 name of this Court; Stuart Frost as a defendant in this action; and specifying that payment  
is made pursuant to this Final Judgment.

1 Defendant shall simultaneously transmit photocopies of evidence of payment and  
2 case identifying information to the Commission's counsel in this action. By making this  
3 payment, Defendant relinquishes all legal and equitable right, title, and interest in such  
4 funds and no part of the funds shall be returned to Defendant. The Commission shall send  
5 the funds paid pursuant to this Final Judgment to the United States Treasury.

6 The Commission may enforce the Court's judgment for penalties by the use of all  
7 collection procedures authorized by law, including the Federal Debt Collection Procedures  
8 Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the violation of any Court  
9 orders issued in this action. Defendant shall pay post-judgment interest on any amounts  
10 due after 30 days of the entry of this Final Judgment pursuant to 28 USC § 1961.

11  
12 IV.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that for the purposes  
14 of exceptions to discharge set forth in Section 524 of the Bankruptcy Code, 11 U.S.C.  
15 § 523, the allegations in the complaint are true and admitted by Defendant and further, any  
16 debt for disgorgement, prejudgment interest, civil penalty or other amounts due by  
17 Defendant under the Final Judgment or any other judgment, order, consent order, decree  
18 or settlement agreement ordered in connection with this proceeding, is a debt for the  
19 violation by Defendant of the federal securities laws or any regulation or order issued under  
20 such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.  
21 § 523(a)(19).

22  
23 V.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
25 incorporated herein with the same force and effect as if fully set forth herein, and that  
26 Defendant shall comply with all of the undertakings and agreements set forth therein.  
27  
28

VI.

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 Final Judgment.

**IT IS SO ORDERED.**

DATED: March 10, 2026

  
HON. SHERILYN PEACE GARNETT  
UNITED STATES DISTRICT JUDGE