

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**JAMES A. TORCHIA,
CREDIT NATION CAPITAL, LLC,
CREDIT NATION ACCEPTANCE, LLC,
CREDIT NATION AUTO SALES, LLC,
AMERICAN MOTOR CREDIT, LLC,
and SPAGHETTI JUNCTION, LLC,**

Defendants.

**Civil Action File No.
1:15-cv-3904-ELR-CBB**

FINAL JUDGMENT AS TO DEFENDANTS

The Court having considered the Securities and Exchange Commission's Motion for Remedies and supporting briefs as well as Defendant James Torchia's response,

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Torchia 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 by providing false or misleading information or omitting to provide material information to actual or prospective investors concerning the performance, return, existence, use or disposition of investor funds.

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 Torchia's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant Torchia or with anyone described in (a).

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Torchia 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 material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser by, directly or indirectly, providing false or misleading information or omitting to provide material information to actual or prospective investors concerning the performance, return, existence, use or disposition of investor funds.

Defendant is specifically enjoined from making the representations and omissions identified in the Court’s order of April 25, 2016 or representations and

omissions regarding rates of return and Defendant's or his businesses' financial status in connection with the sale of securities based on sub-prime auto loans, life insurance settlements, or the sale of fractional interests in life settlement contracts.

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 Torchia's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant Torchia or with anyone described in (a).

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Torchia is jointly and severally liable with Defendants Credit Nation Capital, LLC ("CN Capital"), f/k/a Credit Nation Lending Services, LLC, Credit Nation Acceptance, LLC ("CN Acceptance"), Credit Nation Auto Sales, LLC, American Motor Credit, LLC, and Spaghetti Junction, LLC (collectively "Credit Nation") for disgorgement of \$114,900, representing net profits gained as a result of the conduct alleged in the Complaint, plus prejudgment interest of \$28,453.54. The Court deems Credit Nation's disgorgement obligation satisfied by the amount collected during the receivership. Defendant Torchia shall satisfy his

disgorgement obligation by paying \$143,353.54 to the Securities and Exchange Commission within 30 days after entry of this Final Judgment.

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

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

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

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

The Commission shall hold the funds (collectively, the “Fund”) until further order of this Court. The SEC may propose a plan to distribute the Fund subject to the Court’s approval, and the Court shall retain jurisdiction over the administration of any distribution of the Fund.

The Commission may enforce the Court’s judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment. Defendant Torchia shall pay post judgment interest on any amounts due after 30 days of entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Torchia shall pay a civil penalty in the amount of \$669,687 to the Securities and Exchange Commission 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. § 78u(d)(3)]. Defendant Torchia shall make this payment within 30 days after entry of this Final Judgment.

Defendant Torchia may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request.

Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant Torchia may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

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

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

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, [28 U.S.C. § 3001](#) *et seq.*, and moving for civil

contempt for the violation of any Court orders issued in this action. Defendant Torchia shall pay post-judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 USC § 1961.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

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

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

V.

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

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.

Dated: January 3, 2025.



ELEANOR L. ROSS
UNITED STATES DISTRICT JUDGE