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10 UNITED STATES DISTRICT COURT
11 EASTERN DISTRICT OF CALIFORNIA
12 SACRAMENTO DIVISION

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14 SECURITIES AND EXCHANGE COMMISSION,
15 Plaintiff,
16 vs.
17 HECTOR M. ABSI, JR.
18 Defendant.

Case No. 2:16-cv-00320-DJC-KJN

FINAL JUDGMENT

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1 Plaintiff Securities and Exchange Commission (the “Commission”), having filed its
2 complaint, and Defendant Hector M. Absi, Jr. (“Defendant”), having entered a general appearance;
3 consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented
4 to entry of this Final Judgment; waived findings of fact and conclusions of law; and waived any right
5 to appeal from this Final Judgment:

6 I.

7 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently
8 restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities
9 Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated
10 thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or
11 of the mails, or of any facility of any national securities exchange, in connection with the purchase or
12 sale of any security:

- 13 (a) to employ any device, scheme, or artifice to defraud;
- 14 (b) to make any untrue statement of a material fact or to omit to state a material fact
15 necessary in order to make the statements made, in the light of the circumstances
16 under which they were made, not misleading; or
- 17 (c) to engage in any act, practice, or course of business which operates or would
18 operate as a fraud or deceit upon any person.

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

24 II.

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
26 permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the
27 “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or
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1 instruments of transportation or communication in interstate commerce or by use of the mails,
2 directly or indirectly:

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

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

14 III.

15 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently
16 restrained and enjoined from violating, directly or indirectly, Section 13(b)(5) of the Exchange Act
17 [15 U.S.C. § 78m(b)(5)] by knowingly circumventing or knowingly failing to implement a system of
18 internal accounting controls, or knowingly falsifying any book, record, or account described in
19 Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

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

25 IV.

26 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
27 permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the
28 Exchange Act [15 U.S.C. § 78m(a)] and Rules and Rules 12b-20, 13a-1, 13a-11, and 13a-13

1 thereunder, by knowingly or recklessly providing substantial assistance to an issuer, which is required
2 to file quarterly and annual reports in accordance with applicable rules and regulations that are not
3 misleading in that issuer's failure to do so.

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

9 V.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently
11 restrained and enjoined from aiding and abetting any violation of Sections 13(b)(2)(A) and (B) of the
12 Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and (b)], by knowingly or recklessly providing substantial
13 assistance to an issuer, which is required to make and keep books, records, and accounts in
14 reasonable detail to accurately reflect the transactions and dispositions of the assets of the issuer and
15 which is required to devise and maintain a system of internal accounting controls sufficient to provide
16 reasonable assurance that transactions are recorded as necessary to prepared financial statements in
17 accordance with applicable accounting and auditing standards, in that issuer's failure to do so.

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

23 VI.

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
25 permanently restrained and enjoined from aiding and abetting any violation of Section 14(a) of the
26 Exchange Act [15 U.S.C. § 78n(a)] and Rules 14a-3 and 14a-9 [17 C.F.R. §§ 240.14a-3 and 240.14a-
27 9] promulgated thereunder, by knowingly or recklessly providing substantial assistance to an issuer,
28 by the use of the mails or by any means or instrumentality of interstate commerce or of any facility of

1 a national securities exchange or otherwise, to solicit or to permit the use of his name to solicit any
2 proxy or consent or authorization in respect of any security, where such statement includes any
3 materially false or misleading statement, or fails to provide accurate information as required.

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

9 V.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section
11 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15
12 U.S.C. § 77t(e)], Defendant is prohibited from acting as an officer or director of any issuer that has a
13 class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is
14 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

15 VI.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for
17 disgorgement of \$12,000, representing net profits gained as a result of the conduct alleged in the
18 Complaint, together with prejudgment interest thereon in the amount of \$4,255, for a total of
19 \$16,255. Based on Defendant's sworn representations in his Statement of Financial Condition dated
20 August 13, 2022, and other documents and information submitted to the Commission, however,
21 payment of all but \$6,000 of the disgorgement and pre-judgment interest thereon is waived.
22 Defendant shall satisfy this obligation by paying \$6,000 to the Securities and Exchange Commission
23 pursuant to the terms of the payment schedule set forth in paragraph VII. below. The Court finds that
24 sending the disgorged funds to the United States Treasury, as ordered below, is consistent with
25 equitable principles.

26 Defendant may transmit payment electronically to the Commission, which will provide
27 detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a
28 bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>.

1 Defendant may also pay by certified check, bank cashier's check, or United States postal money
2 order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

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4 Enterprise Services Center
Accounts Receivable Branch
5 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

6 and shall be accompanied by a letter identifying the case title, civil action number, and name of this
7 Court; Hector Absi as the Defendant in this action; and specifying that payment is made pursuant to
8 this Final Judgment.

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

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

19 VII.

20 Defendant shall pay the portion of disgorgement not waived, \$6,000, in three installments to
21 the Commission according to the following schedule: (1) \$1,000 within 18 months of the entry of this
22 Final Judgment; (2) \$2,000 within two years of entry of this Final Judgment; (3) \$3,000 (plus all
23 accrued post-judgment interest) within three years of entry of this Final Judgment. Payments shall be
24 deemed made on the date they are received by the Commission and shall be applied first to post
25 judgment interest, which accrues pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 30
26 days of the entry of Final Judgment. Prior to making the final payment set forth herein, Defendant
27 shall contact the staff of the Commission for the amount due for the final payment.
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1 If Defendant fails to make any payment by the date agreed and/or in the amount agreed
2 according to the schedule set forth above, all outstanding payments under this Final Judgment,
3 including post-judgment interest, minus any payments made, shall become due and payable
4 immediately at the discretion of the staff of the Commission without further application to the Court.

5 VIII.

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

14 IX.

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

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18 IT IS SO ORDERED.

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20 Dated: August 30, 2023

/s/ Daniel J. Calabretta

21 THE HONORABLE DANIEL J. CALABRETTA
22 UNITED STATES DISTRICT JUDGE
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