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11 **UNITED STATES DISTRICT COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
13 **OAKLAND DIVISION**

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15 SECURITIES AND EXCHANGE COMMISSION,
16 Plaintiff,
17 vs.
18 CARRIE L. TOLSTEDT,
19 Defendant.

Case No. 20-cv-07987-JST

~~PROPOSED~~ FINAL JUDGMENT

1 The Plaintiff, Securities and Exchange Commission (“Commission” or “SEC”), having
2 filed a Complaint; and Defendant Carrie L. Tolstedt having entered a general appearance,
3 consented to the Court’s jurisdiction over Defendant and the subject matter of this action,
4 consented to entry of this Final Judgment without admitting or denying the allegations of the
5 Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph IX.),
6 waived findings of fact and conclusions of law, and waived any right to appeal from this Final
7 Judgment:

8 I.

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

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

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

26 II.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
28 permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933

1 (the “Securities Act”), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any
2 means or instruments of transportation or communication in interstate commerce or by use of
3 the mails, directly or indirectly:

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

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

16 III.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
18 permanently restrained and enjoined from aiding and abetting any violation of Sections 13(a) and
19 13(b)(2)(A) of the Exchange Act, 15 U.S.C. §§ 78m(a) & 78m(b)(2)(A), or Rules 13a-1, 13a-13,
20 and 12b-20 thereunder, 17 C.F.R. §§ 240.13a-1, 240.13a-13, and 240.12b-20, by knowingly or
21 recklessly providing substantial assistance to an issuer, which is required to file quarterly and
22 annual reports in accordance with applicable rules and regulations and which are not misleading,
23 and which is required to make and keep books, records, and accounts in reasonable detail to
24 accurately reflect the transactions and dispositions of the assets of the issuer, in that issuer’s failure
25 to do so.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal
27 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
28 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant’s officers,

1 agents, servants, employees, and attorneys; and (b) other persons in active concert or participation
2 with Defendant or with anyone described in (a).

3 IV.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section
5 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2) and Section 20(e) of the Securities Act, 15
6 U.S.C. § 77t(e), Defendant is prohibited from acting as an officer or director of any issuer that has
7 a class of securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that
8 is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

9 V.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for
11 disgorgement of \$1,459,076, representing net profits gained as a result of the conduct alleged in
12 the Complaint, together with prejudgment interest thereon in the amount of \$447,874, for a total of
13 \$1,906,950. Defendant shall satisfy this obligation by paying \$1,906,950 to the Securities and
14 Exchange Commission within 30 days after entry of this Final Judgment.

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

20 VI.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a
22 civil penalty in the amount of \$3 million to the Securities and Exchange Commission pursuant to
23 Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 20(d) of the Securities Act,
24 15 U.S.C. § 77t(d). Defendant shall make this payment within 30 days after entry of this Final
25 Judgment.

26 The Commission may enforce the Court's judgment for penalties by the use of all
27 collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28
28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the violation of any Court orders issued in

1 this action. Defendant shall pay post-judgment interest on any amounts due after 30 days of the
2 entry of this Final Judgment pursuant to 28 USC § 1961.

3 VII.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall make
5 the payments ordered in paragraphs V. and VI., above, by any of the following means: Defendant
6 may transmit payment electronically to the Commission, which will provide detailed ACH
7 transfer/Fedwire instructions upon request. Payment may also be made directly from a bank
8 account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>.
9 Defendant may also pay by certified check, bank cashier's check, or United States postal money
10 order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

11 Enterprise Services Center
12 Accounts Receivable Branch
13 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

14 and shall be accompanied by a letter identifying the case title, civil action number, and name of
15 this Court; Carrie L. Tolstedt as the defendant in this action; and specifying that payment is made
16 pursuant to this Final Judgment.

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

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

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

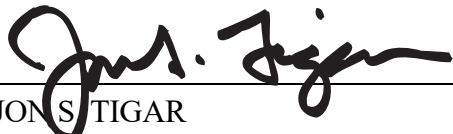
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X.

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.

DATE: May 31, 2023



JON S. TIGAR
UNITED STATES DISTRICT JUDGE