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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ROBERT JOSEPH ARMIJO, and
JOSEPH FINANCIAL, INC.,

Defendants.

Case No.: 21-CV-1107 TWR (AHG)

**FINAL JUDGMENT AS TO
DEFENDANTS ROBERT JOSEPH
ARMIJO AND JOSEPH FINANCIAL,
INC.**

(ECF No. 56)

Robert Joseph Armijo (“Armijo”) and Joseph Financial, Inc. (collectively “Defendants”) having entered a general appearance; consented to the Court’s jurisdiction over Defendants and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I. PERMANENT INJUNCTIVE RELIEF

A. Section 5 of the Securities Act of 1933 (“Securities Act”)

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

1 (a) Unless a registration statement is in effect as to a security, making use of any
2 means or instruments of transportation or communication in interstate commerce or of the
3 mails to sell such security through the use or medium of any prospectus or otherwise;

4 (b) Unless a registration statement is in effect as to a security, carrying or causing
5 to be carried through the mails or in interstate commerce, by any means or instruments of
6 transportation, any such security for the purpose of sale or for delivery after sale; or

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

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

20 **B. Section 15(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)**

21 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendants
22 are permanently restrained and enjoined from violating, directly or indirectly, Section
23 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] by making use of any means or
24 instrumentality of interstate commerce or of the mails and engaging in the business of
25 effecting transactions in securities for the accounts of others, or inducing or effecting the
26 purchase and sale of securities, while not registered with the Commission in accordance
27 with the provisions of Section 15(b) of the Exchange Act, or while not associated with a
28 broker-dealer that was so registered.

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

7 **II. DISGORGEMENT, PREJUDGMENT INTEREST AND CIVIL PENALTY**

8 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that
9 Defendants are liable, jointly and severally, for disgorgement of \$910,326 representing net
10 profits gained as a result of the conduct alleged in the Complaint, together with
11 prejudgment interest thereon in the amount of \$129,607, and a civil penalty in the amount
12 of \$75,000 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the
13 Exchange Act. Defendants shall satisfy this obligation by paying \$1,114,933, or otherwise
14 satisfying this amount, to the Court-appointed Receiver, Burton Wiand, within 30 days
15 after entry of this Final Judgment.

16 Defendants shall simultaneously transmit photocopies of evidence of payment and
17 case identifying information to the Commission’s counsel in this action. By making this
18 payment, Defendants relinquish all legal and equitable right, title, and interest in such funds
19 and no part of the funds shall be returned to Defendants.

20 The Commission may enforce the Court’s judgment for disgorgement and
21 prejudgment interest by using all collection procedures authorized by law, including, but
22 not limited to, moving for civil contempt at any time after 30 days following entry of this
23 Final Judgment.

24 The Commission may enforce the Court’s judgment for penalties by the use of all
25 collection procedures authorized by law, including the Federal Debt Collection Procedures
26 Act, 28 U.S.C. §§ 3001 *et seq.*, and moving for civil contempt for the violation of any Court
27 orders issued in this action. Defendants shall pay post judgment interest on any amounts
28 due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961. The

1 Receiver shall hold the funds, together with any interest and income earned thereon
2 (collectively, the “Fund”), pending further order of the Court.

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

8 Regardless of whether any such Fair Fund distribution is made, amounts ordered to
9 be paid as civil penalties pursuant to this Final Judgment shall be treated as penalties paid
10 to the government for all purposes, including all tax purposes. To preserve the deterrent
11 effect of the civil penalty, Defendants shall not, after offset or reduction of any award of
12 compensatory damages in any Related Investor Action based on Defendants’ payment of
13 disgorgement in this action, argue that they is entitled to, nor shall they further benefit by,
14 offset or reduction of such compensatory damages award by the amount of any part of
15 Defendants’ payment of a civil penalty in this action (“Penalty Offset”). If the court in any
16 Related Investor Action grants such a Penalty Offset, Defendants shall, within 30 days after
17 entry of a final order granting the Penalty Offset, notify the Commission’s counsel in this
18 action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair
19 Fund, as the Commission directs. Such a payment shall not be deemed an additional civil
20 penalty and shall not be deemed to change the amount of the civil penalty imposed in this
21 Final Judgment. For purposes of this paragraph, a “Related Investor Action” means a
22 private damages action brought against Defendants by or on behalf of one or more investors
23 based on substantially the same facts as alleged in the Complaint in this action.

24 **III. INCORPORATION OF CONSENT**

25 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the Consent
26 of Defendants Robert Joseph Armijo and Joseph Financial, Inc. to Final Judgment (ECF
27 No. 56-2) is incorporated herein with the same force and effect as if fully set forth herein,

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1 and that Defendants shall comply with all of the undertakings and agreements set forth
2 therein.

3 **IV. BANKRUPTCY NONDISCHARGEABILITY**

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

13 **V. RETENTION OF JURISDICTION**

14 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Court
15 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final
16 Judgment. Specifically, pursuant to the Parties' fully executed Consent to Exercise of
17 Jurisdiction by a United States Magistrate Judge, (*see* ECF No. 56-3), the assigned
18 Magistrate Judge Allison H. Goddard shall retain jurisdiction over all "all disputes
19 regarding settlement terms arising during the documentation thereof not resolved by the
20 parties themselves" and "all disputes arising out of the terms of the settlement agreement
21 once completed." (*See id.* at 1.)

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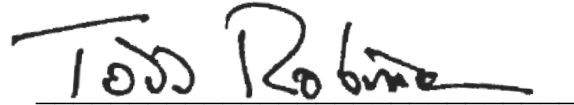
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1 **VI. RULE 54(b) CERTIFICATION**

2 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of
3 Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without
4 further notice.

5 **IT IS SO ORDERED.**

6 Dated: January 9, 2024

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8 Honorable Todd W. Robinson
9 United States District Judge
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