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

SECURITIES AND EXCHANGE  
COMMISSION,  
  
Plaintiff,  
  
vs.  
  
MARC J. FRANKEL,  
  
Defendant.

Case No. 2:22-cv-06500-SB-MRW

**FINAL JUDGMENT AS TO DEFENDANT  
MARC J. FRANKEL**



1 the amount of \$786,150.32 pursuant to Section 209(e) of the Advisers Act [15 U.S.C.  
2 § 80b-9(e)]. Defendant shall satisfy this obligation by paying \$1,572,300.64 to the  
3 Securities and Exchange Commission within 30 days after entry of this Final  
4 Judgment.

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

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

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

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

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

26 The Commission may enforce the Court's judgment for penalties by the use of  
27 all collection procedures authorized by law, including the Federal Debt Collection  
28 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 shall pay post

1 judgment interest on any amounts due after 30 days of the entry of this Final  
2 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,  
3 together with any interest and income earned thereon (collectively, the “Fund”),  
4 pending further order of the Court.

5 The Commission may propose a plan to distribute the Fund subject to the  
6 Court’s approval. Such a plan may provide that the Fund shall be distributed  
7 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of  
8 2002. The Court shall retain jurisdiction over the administration of any distribution  
9 of the Fund and the Fund may only be disbursed pursuant to an Order of the Court.

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

27 **III.**

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent

1 is incorporated herein with the same force and effect as if fully set forth herein, and  
2 that Defendant shall comply with all of the undertakings and agreements set forth  
3 therein.

4 **IV.**

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

14 **V.**

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

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20 Dated: September 19, 2023

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23 STANLEY BLUMENFELD, JR.  
24 UNITED STATES DISTRICT JUDGE  
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