

1 **UNITED STATES DISTRICT COURT**
2 **CENTRAL DISTRICT OF CALIFORNIA**

3
4 SECURITIES AND EXCHANGE
5 COMMISSION,

6 Plaintiff,

7 v.

8 CHARLES WINN LLC, AARON
9 DAVID SCOTT-BRITTEN, aka
10 AARON DAVID, AARON SCOTT,
11 and AARON DAVID K. BRITTEN,
12 OHRAN EMMANUEL STEWART,
13 aka ELLIOTT STEWART, CASEY
14 ALEXANDER, and CHARLIE JAKE
15 SMITH,

16 Defendants.

Case No. 2:23-cv-02988-FMO (Ex)

**DEFAULT JUDGMENT AS TO
DEFENDANTS CHARLES WINN
LLC, AARON DAVID SCOTT-
BRITTEN aka AARON DAVID,
AARON SCOTT, and AARON DAVID
K. BRITTEN, OHRAN EMMANUEL
STEWART aka ELLIOTT STEWART,
and CASEY ALEXANDER**

16 This action came on for consideration before the Court and a decision has been
17 rendered.

18 IT IS ORDERED AND ADJUDGED that Plaintiff Securities and Exchange
19 Commission's motion for default judgment against Defendants Charles Winn LLC
20 ("Charles Winn"), Aaron David Scott-Britten aka Aaron David, Aaron Scott, and
21 Aaron David K. Britten ("Scott Britten"), Ohran Emmanuel Stewart aka Elliott
22 Stewart ("Stewart"), and Casey Alexander ("Alexander") (collectively, "Defendants")
23 is hereby GRANTED;

24 I.

25 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants
26 are permanently restrained and enjoined from violating, directly or indirectly, Section
27 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C.
28 § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using

1 any means or instrumentality of interstate commerce, or of the mails, or of any
2 facility of any national securities exchange, in connection with the purchase or sale of
3 any security:

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

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

16 II.

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
18 Defendants are permanently restrained and enjoined from violating Section 17(a) of
19 the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or
20 sale of any security by the use of any means or instruments of transportation or
21 communication in interstate commerce or by use of the mails, directly or indirectly:

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

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

7 III.

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

- 12 (a) Unless a registration statement is in effect as to a security, making use of
13 any means or instruments of transportation or communication in
14 interstate commerce or of the mails to sell such security through the use
15 or medium of any prospectus or otherwise;
- 16 (b) Unless a registration statement is in effect as to a security, carrying or
17 causing to be carried through the mails or in interstate commerce, by any
18 means or instruments of transportation, any such security for the purpose
19 of sale or for delivery after sale; or
- 20 (c) Making use of any means or instruments of transportation or
21 communication in interstate commerce or of the mails to offer to sell or
22 offer to buy through the use or medium of any prospectus or otherwise
23 any security, unless a registration statement has been filed with the
24 Commission as to such security, or while the registration statement is the
25 subject of a refusal order or stop order or (prior to the effective date of
26 the registration statement) any public proceeding or examination under
27 Section 8 of the Securities Act [15 U.S.C. § 77h].

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as

1 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
2 binds the following who receive actual notice of this Default Judgment by personal
3 service or otherwise: (a) Defendants' officers, agents, servants, employees, and
4 attorneys; and (b) other persons in active concert or participation with Defendants or
5 with anyone described in (a).

6 IV.

7 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
8 Defendant Alexander is permanently restrained and enjoined from violating Section
9 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] by making use of the mails and
10 the means and instrumentalities of interstate commerce to effect any transactions in,
11 or to induce or attempt to induce the purchase or sale of, any security, without
12 registering as a broker, and without being exempted from such registration.

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

19 V.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant
21 to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of
22 the Securities Act [15 U.S.C. § 77t(e)], Defendants Scott-Britten and Stewart are
23 prohibited from acting as an officer or director of any issuer that has a class of
24 securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or
25 that is required to file reports pursuant to Section 15(d) of the Exchange Act [15
26 U.S.C. § 78o(d)].

27 VI.

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendants Charles Winn, Scott-Britten, and Stewart are liable, jointly and severally,
 2 for disgorgement of \$8,316,285, representing net profits gained as a result of the
 3 conduct alleged in the Complaint, together with prejudgment interest thereon in the
 4 amount of \$1,248,623. Defendants Charles Winn, Scott-Britten, and Stewart are each
 5 liable for civil penalties in the amounts of \$1,116,140, \$223,229, and \$223,229,
 6 respectively, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and
 7 Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant Alexander is
 8 liable for disgorgement of \$141,802, representing net profits gained as a result of the
 9 conduct alleged in the Complaint, together with prejudgment interest thereon in the
 10 amount of \$21,290, and a civil penalty in the amount of \$141,802, pursuant to
 11 Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the
 12 Exchange Act, 15 U.S.C. § 78u(d)(3). Defendants shall satisfy these obligations by
 13 paying the following amounts to the Securities and Exchange Commission within 30
 14 days after entry of this Default Judgment:

Defendants	Obligation
Charles Winn, Scott-Britten, and Stewart, jointly and severally (disgorgement and prejudgment interest)	\$9,564,908
Charles Winn (civil penalty)	\$1,116,140
Scott-Britten (civil penalty)	\$223,229
Stewart (civil penalty)	\$223,229
Alexander (disgorgement, prejudgment interest, and civil penalty)	\$304,894

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

1 Securities and Exchange Commission, which shall be delivered or mailed to
2 Enterprise Services Center
3 Accounts Receivable Branch
4 6500 South MacArthur Boulevard
5 Oklahoma City, OK 73169

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

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

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

17 The Commission may enforce the Court's judgment for penalties by the use of
18 all collection procedures authorized by law, including the Federal Debt Collection
19 Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the
20 violation of any Court orders issued in this action. Defendants shall pay post
21 judgment interest on any amounts due after 30 days of the entry of this Default
22 Judgment pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds,
23 together with any interest and income earned thereon (collectively, the "Fund"),
24 pending further order of the Court.

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

1 Fund and the Fund may only be disbursed pursuant to an Order of the Court.

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

20 VII.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
22 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
23 11 U.S.C. § 523, the allegations in the complaint are true and admitted by
24 Defendants, and further, any debt for disgorgement, prejudgment interest, civil
25 penalty or other amounts due by Defendants under this Default Judgment or any other
26 judgment, order, consent order, decree or settlement agreement entered in connection
27 with this proceeding, is a debt for the violation by Defendants of the federal securities
28 laws or any regulation or order issued under such laws, as set forth in Section

1 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

2 VIII.

3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
4 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
5 Default Judgment.

6 IX.

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

10 Dated: March 25, 2024

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12 /s/

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14 Hon. Fernando M. Olguin
15 United States District Judge
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