

JS-6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

RYAN C. DREXLER

Defendant.

Case No. 2:23-cv-05102-MCS-JC

**FINAL JUDGMENT AS TO
DEFENDANT RYAN C. DREXLER
(ECF NO. 90)**

The Securities and Exchange Commission (“SEC” or “Commission”) having filed an Amended Complaint and Defendant Ryan C. Drexler having entered a general appearance; consented to the Court’s jurisdiction over Defendant 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 in paragraph XII); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Sections 17(a)(2) or

1 (3) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77q(a)(2) and
2 77q(a)(3)] in the offer or sale of any security by the use of any means or instruments
3 of transportation or communication in interstate commerce or by use of the mails,
4 directly or indirectly:

5 (a) to obtain money or property by means of any untrue statement of a
6 material fact or any omission of a material fact necessary in order to make
7 the statements made, in light of the circumstances under which they were
8 made, not misleading; or

9 (b) to engage in any transaction, practice, or course of business which
10 operates or would operate as a fraud or deceit upon the purchaser
11 by, directly or indirectly, (i) creating a false appearance or otherwise misleading any
12 person about the internal control over financial reporting or disclosure controls and
13 procedures of any company that is an issuer of securities registered pursuant to
14 Section 12 of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §
15 781] or that is required to file reports pursuant to Section 13(a) of the Exchange Act
16 [15 U.S.C. § 78m(a)] or Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)], or
17 (ii) disseminating false or misleading documents, materials, or information or
18 making, either orally or in writing, any false or misleading statement in any
19 communication with any investor or prospective investor, about the internal control
20 over financial reporting or disclosure controls and procedures of any company that is
21 an issuer of securities registered pursuant to Section 12 of the Exchange Act [15
22 U.S.C. § 781] or that is required to file reports pursuant to Section 13(a) of the
23 Exchange Act [15 U.S.C. § 78m(a)] or Section 15(d) of the Exchange Act [15 U.S.C.
24 § 78o(d)].

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

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

3 II.

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant is permanently restrained and enjoined from violating Exchange Act Rule
6 13a-14 [17 C.F.R. § 240.13a-14] by signing a false or misleading certification with
7 any annual or quarterly report required to be filed with the SEC pursuant to Section
8 13(a) of the Exchange Act [15 U.S.C. § 78m(a)].

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

15 III.

16 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
17 Defendant is permanently restrained and enjoined from violating Section 14(a) of the
18 Exchange Act [15 U.S.C. § 78n(a)] and Rules 14a-3 and 14a-9 promulgated
19 thereunder [17 C.F.R. §§ 240.14a-3 and 14a-9] by soliciting proxies without
20 furnishing each person solicited a proxy statement containing the information
21 specified by the proxy rules, and using proxy statements containing statements which,
22 at the time and in light of the circumstances under which they are made, are false or
23 misleading with respect to any material fact, or omit to state material facts necessary
24 to make the statement therein not misleading or necessary to correct any statement in
25 any earlier communication with respect to the solicitation of a proxy for the same
26 meeting or subject matter which has become false or misleading.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
28 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also

1 binds the following who receive actual notice of this Final Judgment by personal
2 service or otherwise: (a) Defendant's officers, agents, servants, employees, and
3 attorneys; and (b) other persons in active concert or participation with Defendant or
4 with anyone described in (a).

5 IV.

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
7 Defendant is permanently restrained and enjoined from aiding and abetting any
8 violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-
9 20, 13a-1, 13a-11 and 13a-13 promulgated thereunder [17 C.F.R. §§ 240.12b-20,
10 240.13a.1, 240.13a.11, and 240.13a-13] by knowingly or recklessly providing
11 substantial assistance to an issuer that has a class of securities registered pursuant to
12 Section 12 of the Exchange Act [15 U.S.C. § 78l] or is required to file reports
13 pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] and that fails to
14 file periodic annual, current, quarterly, and other reports with the SEC containing
15 such information as the Commission's rules prescribe and such further material
16 information as may be necessary to make the required statements, in light of the
17 circumstances under which they were made, not misleading.

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

24 V.

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
26 Defendant is permanently restrained and enjoined from aiding and abetting any
27 violation of Rule 13a-15(a) of the Exchange Act [17 C.F.R. § 240.13a.15(a)] by
28 knowingly or recklessly providing substantial assistance to an issuer that fails to

1 maintain disclosure controls and procedures as defined in Rule 13a-15 of the
2 Exchange Act [17 C.F.R. §§ 240.13a.15].

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

9 VI.

10 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
11 Defendant is permanently restrained and enjoined from violating Rules 13a-15(b) and
12 13a-15(c) of the Exchange Act [17 C.F.R. § 240.13a.15(b) and 17 C.F.R. §
13 240.13a.15(c)] by failing to evaluate the effectiveness of an issuer’s disclosure
14 controls and procedures or internal controls over financial reporting as required by
15 Rules 13(a)-15(b) and 13a-15(c).

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

22 VII.

23 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
24 Defendant is permanently restrained and enjoined from aiding and abetting any
25 violation of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78(b)(2)(B)] by
26 knowingly or recklessly providing substantial assistance to an issuer that fails to
27 devise and maintain a system of internal accounting controls sufficient to provide
28 reasonable assurances that: (i) transactions are executed in accordance with

1 management's general or specific authorizations; (ii) transactions are recorded as
2 necessary (A) to permit preparation of financial statements in conformity with
3 generally accepted accounting principles or any other criteria applicable to such
4 statements, and (B) to maintain accountability for assets; (iii) access to assets is
5 permitted only in accordance with management's general or specific authorization;
6 and (iv) the recorded accountability for assets is compared with the existing assets at
7 reasonable intervals and appropriate action is taken with respect to any differences.

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

14 VIII.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
16 is permanently restrained and enjoined from violating Section 304(a) of the Sarbanes-
17 Oxley Act of 2002 ("SOX") [15 U.S.C. § 7243(a)], by failing to reimburse any issuer
18 for any bonus or other incentive-based or equity-based compensation received from
19 the issuer, or any profits realized from the sale of securities of the issuer, during a 12-
20 month period following the first public issuance or filing with the Commission of a
21 financial document for which the issuer is required to prepare an accounting
22 restatement due to the material noncompliance of the issuer, as a result of
23 misconduct, with any financial reporting requirement under the securities laws.

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

1 with anyone described in (a).

2 IX.

3 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
4 Defendant is liable for a civil penalty in the amount of \$75,000 pursuant to Section
5 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange
6 Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying
7 \$75,000 to the Securities and Exchange Commission within 30 days after entry of this
8 Final Judgment.

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

15 Enterprise Services Center
16 Accounts Receivable Branch
17 6500 South MacArthur Boulevard
18 Oklahoma City, OK 73169

19 and shall be accompanied by a letter identifying the case title, civil action number,
20 and name of this Court; Ryan C. Drexler as a defendant in this action; and specifying
21 that payment is made pursuant to this Final Judgment.

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

28 The Commission may enforce the Court's judgment for penalties by the use of

1 all collection procedures authorized by law, including the Federal Debt Collection
2 Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the
3 violation of any Court orders issued in this action. Defendant shall pay post-
4 judgment interest on any amounts due after 30 days of the entry of this Final
5 Judgment pursuant to 28 U.S.C. § 1961.

6 X.

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
8 shall reimburse MusclePharm Corp. or its successor in interest \$100,000 for a bonus
9 he received from MusclePharm Corp., pursuant to SOX Section 304 [15 U.S.C. §
10 7243]. Defendant shall satisfy this obligation by paying MusclePharm Corp. or its
11 successor in interest \$100,000 within 30 days after entry of this Final Judgment.
12 Defendant cannot satisfy this obligation by asserting a right of set off in
13 MusclePharm Corp.’s bankruptcy proceeding.

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

18 If Defendant fails to make any payment by the date agreed and/or in the
19 amount agreed, all outstanding payments under this Final Judgment, including post-
20 judgment interest, minus any payments made, shall become due and payable
21 immediately at the discretion of the staff of the Commission without further
22 application to the Court.

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1 XI.

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
3 Consent is incorporated herein with the same force and effect as if fully set forth
4 herein, and that Defendant shall comply with all of the undertakings and agreements
5 set forth therein.

6 XII.

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for
8 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code,
9 11 U.S.C. §523, the allegations in the complaint are true and admitted by Defendant,
10 and further, any debt for civil penalty or other amounts due by Defendant under this
11 Final Judgment or any other judgment, order, consent order, decree or settlement
12 agreement entered in connection with this proceeding, is a debt for the violation by
13 Defendant of the federal securities laws or any regulation or order issued under such
14 laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
15 §523(a)(19).

16 XIII.

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

20 Dated: August 25, 2025



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MARK C. SCARSI
23 UNITED STATES DISTRICT JUDGE
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