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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
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11 **SECURITIES AND EXCHANGE**
12 **COMMISSION,**

13 **Plaintiff,**

14 **vs.**

15 **CHRISTOPHER BEALS and ARDEN**
16 **LEE,**

17 **Defendants.**
18

Case No. 2:24-cv-08215 DDP (MARx)

FINAL JUDGMENT AS TO
DEFENDANT CHRISTOPHER
BEALS

19 The Securities and Exchange Commission having filed a Complaint and
20 Defendant Christopher Beals having entered a general appearance; consented to the
21 Court's jurisdiction over Defendant and the subject matter of this action; consented to
22 entry of this Final Judgment without admitting or denying the allegations of the
23 Complaint (except as to jurisdiction and except as otherwise provided herein in
24 paragraph VI); waived findings of fact and conclusions of law; and waived any right
25 to appeal from this Final Judgment:

26 **I.**

27 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant is
28 permanently restrained and enjoined from violating Sections 17(a)(2) and (a)(3) of

1 the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77q(a)(2) and (a)(3)]
2 in the offer or sale of any security by the use of any means or instruments of
3 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
7 make the statements made, in light of the circumstances under which
8 they were 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 deceiving any
12 person, or (ii) disseminating false or misleading documents, materials, or information
13 or making, either orally or in writing, any false or misleading statement in any
14 communication with any investor or prospective investor, about any investment in or
15 offering of securities, or the prospects for success of any product or company.

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

22 II.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
24 is permanently restrained and enjoined from violating Section 14(a) of the Securities
25 Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78n(a)] and Rule 14a-9 [17
26 C.F.R. § 240.14a-9] promulgated thereunder by, directly or indirectly, using any
27 means or instrumentalities of interstate commerce or of the mails or of a facility of a
28 national securities exchange or otherwise, to solicit or permit the use of Defendant’s

1 name to solicit any proxy or consent or authorization in respect of any security (other
2 than an exempted security, registered pursuant to Section 12 of the Exchange Act [15
3 U.S.C. § 78l]) by means of:

- 4 (a) a proxy statement, form of proxy, notice of meeting or other
5 communication, written or oral, containing statements which, at the time
6 and in the light of the circumstances under which they were made, are
7 false and misleading with respect to material facts; or
8 (b) a proxy statement, form of proxy, notice of meeting or other
9 communication, written or oral, containing statements which omit to
10 state material facts: (i) necessary in order to make the statements therein
11 not false or misleading; or (ii) necessary to correct statements in earlier
12 communications with respect to the solicitation of the proxy for the same
13 meeting or subject matter which were false or misleading.

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

20 III.

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that,
22 pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Defendant
23 is prohibited, for three (3) years following the date of entry of this Final Judgment,
24 from acting as an officer or director of any issuer that has a class of securities
25 registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is
26 required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C.
27 § 78o(d)].

28 IV.

1 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND that Defendant
2 shall pay a civil penalty in the amount of \$175,000.00 to the Securities and Exchange
3 Commission pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
4 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall make
5 this payment within 30 days after entry of this Final Judgment.

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

12 Enterprise Services Center

13 Accounts Receivable Branch

14 6500 South MacArthur Boulevard

15 Oklahoma City, OK 73169

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

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

25 The Commission may enforce the Court's judgment for penalties by the use of
26 all collection procedures authorized by law, including the Federal Debt Collection
27 Procedures Act, 28 U.S.C. § 3001 *et seq.*, and moving for civil contempt for the
28 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 USC § 1961.

3 V.

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

8 VI.

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

18 VII.

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

22 Dated: October 7, 2024

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24 UNITED STATES DISTRICT JUDGE
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