

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION**

CASE NO. 24-81067-CIV-CANNON

SECURITIES & EXCHANGE COMMISSION,

Plaintiff,

v.

**BLACK DRAGON CAPITAL, LLC,
BLACK DRAGON INVESTMENT MANAGEMENT, LLC,
and LOUIS HERNANDEZ, JR.,**

Defendants.

FINAL JUDGMENT AS TO LOUIS HERNANDEZ, JR.

THIS MATTER comes before the Court upon Plaintiff's Unopposed Motion for Entry of Consent Judgment (the "Motion"), filed on September 12, 2024 [ECF No. 11; ECF No. 11-6]. The Court granted that motion in a separate order [ECF No. 12]. In accordance with Rule 58 of the Federal Rules of Civil Procedure, the Court hereby enters Final Judgment as to Defendant Louis Hernandez, Jr. as follows:

The Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant Louis Hernandez, Jr. ("Defendant" or "Hernandez") having entered a general appearance; consented to the Court's jurisdiction over him 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 VII below); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating, while acting as an investment adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, Section 203(a) of the Investment Advisers Act of 1940 (the “Advisers Act”) [15 U.S.C. § 80b-3(a)], by, for compensation, engaging in the business of advising others, either directly or indirectly, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or, for compensation and as a part of a regular business, issuing or promulgating analyses or reports concerning securities, without being registered with the Commission as an investment adviser and without the applicability of Section 203(b) of the Advisers Act [15 U.S.C. § 80b-3(b)] or Section 203A of the Advisers Act [15 U.S.C. § 80b-3a].

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

II.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 204 of the Advisers Act [15 U.S.C. § 80b-4] and Rule 204(b)-1(a) thereunder [17 C.F.R. § 275.204(b)-1(a)], while acting as an investment adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, by:

- (i) Being required to be registered under Section 203(a) of the Advisers Act [15 U.S.C.

§ 80b-3];

- (ii) Acting as an investment adviser within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)] to one or more private funds;
- (iii) Having at least \$150 million in regulatory assets under management attributable to private funds as of the end of its most recent fiscal year; and
- (iv) Failing to complete and file a report on Form PF.

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

III.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-1(a)(6) thereunder [17 C.F.R. § 275.206(4)-1(a)(6)], while acting as an investment adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly to:

- (a) publish, circulate, or distribute advertisements with the meaning of Advisers Act Rule 206(4)-1(e)(1) [17 C.F.R. § 275.206(4)-1(e)(1)] that constitute a fraudulent, deceptive, or manipulative act, practice, or course of business; and
- (b) include or exclude performance results, or present performance time periods, in a manner that was not fair and balanced.

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

IV.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Hernandez is permanently restrained and enjoined from violating Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8], while acting as an investment adviser to a pooled investment vehicle, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly to:

- (a) Make any untrue statement of a material fact and/or to omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to any investor or prospective investor in a pooled investment vehicle; or
- (b) otherwise engage in any act, practice, or course of business that is fraudulent, deceptive or manipulative with respect to any investor or prospective investor in a pooled investment vehicle;

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any investor or prospective investor in a pooled investment vehicle, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor in a pooled investment vehicle, about: (A) any investment strategy or investment in securities; (B) the prospects for

success of any investment strategy or investment in securities; or (C) the performance of any investment strategy, fund, pooled investment vehicle or investment company.

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

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty in the amount of \$100,000 to the Commission pursuant to Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. Defendant shall make this after entry of this Final Judgment.

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

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

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

Defendant shall simultaneously transmit photocopies of evidence of payment and case

identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for penalties by the use of all collection procedures authorized by law, including the Federal Debt Collection 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-judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein.

VII.


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

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VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Court shall retain jurisdiction of this matter to enforce this Final Judgment until **September 24, 2026..**

DONE AND ORDERED in Chambers at Fort Pierce, Florida, this 25th day of September 2024.


AILEEN M. CANNON
UNITED STATES DISTRICT JUDGE

cc: counsel of record