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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE)	Case No. 3:17-cv-02086-JAH-JLB
COMMISSION,)	
)	ORDER FOR DEFAULT
Plaintiff,)	JUDGMENT AS TO DEFENDANT
vs.)	RAMÓN LAFARGA BÁTIZ
)	
GERARDO DE NICOLÁS)	
GUTIERREZ, CARLOS JAVIER)	
MOCTEZUMA VELASCO, RAMÓN))	
LAFARGA BÁTIZ, and NOE)	
CORRALES REYES,)	
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Defendants.)	
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1 The Securities and Exchange Commission (the “SEC” or “Commission”) having
2 filed a First Amended Complaint, Defendant Ramón Lafarga Bátiz (“Defendant”) having
3 been duly served a summons and the First Amended Complaint, but failed to answer or
4 otherwise defend, the Clerk of the Court having entered a default against the Defendant,
5 and the SEC having duly noticed its Motion for Default Judgment against the Defendant
6 under Rule 55(b)(2) of the Federal Rules of Civil Procedure and Defendant having failed
7 to oppose said motion and failed to appear in court for the hearing on the same, and for the
8 reasons stated on the record and good cause appearing, this Court enters the following
9 Default Judgment against the Defendant:

10 I.

11 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant is
12 permanently restrained and enjoined from violating Section 17(a) of the Securities Act of
13 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the
14 use of any means or instruments of transportation or communication in interstate commerce
15 or by use of the mails, directly or indirectly:

16 (a) to employ any device, scheme, or artifice to defraud;

17 (b) to obtain money or property by means of any untrue statement of a material
18 fact or any omissions of a material fact necessary in order to make the statements made, in
19 light of the circumstances under which they were made, not misleading; or

20 (c) to engage in any transaction, practice, or course of business which operates or
21 would operate as a fraud or deceit upon the purchaser.

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

II.

1 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant is
2 permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of
3 the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule
4 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or
5 instrumentality of interstate commerce, or of the mails, or of any facility of any national
6 securities exchange, in connection with the purchase or sale of any security:

7 (a) to employ any device, scheme, or artifice to defraud;

8 (b) to make any untrue statement of a material fact or to omit to state a material
9 fact necessary in order to make the statements made, in the light of the circumstances under
10 which they were made, not misleading; or

11 (c) to engage in any act, practice, or course of business which operates or would
12 operate as a fraud or deceit upon any person.

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

19 III.

20 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant is
21 permanently restrained and enjoined from violating Section 13(b)(5) of the Exchange Act
22 [15 U.S.C. § 78m(b)(5)] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1] by
23 knowingly circumventing or knowingly failing to implement a system of internal
24 accounting controls or knowingly falsifying any book, record, or account and directly or
25 indirectly falsifying or causing to be falsified any book, record, or account described in
26 Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

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

1 following who receive actual notice of this Default Judgment by personal service or
2 otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b)
3 other persons in active concert or participation with any Defendant or with anyone
4 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 violation
8 of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and
9 13a-16 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a.16] by knowingly or
10 recklessly providing substantial assistance to an issuer that files with the Commission
11 reports required under Rules 13a-1 and 13a-16 that do not contain any untrue statement of
12 a material fact or omit to state a material fact necessary in order to make the statements
13 made, in light of the circumstances under which such statements were made, not
14 misleading.

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

21 V.

22 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that
23 Defendant is permanently restrained and enjoined from aiding and abetting any violation
24 of Sections 13(b)(2)(A) and (B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and (B)]
25 by knowingly or recklessly providing substantial assistance to an issuer that fails to make
26 or keep books, records and accounts that in reasonable detail accurately and fairly reflected
27 its transactions and the disposition of its assets or fails to devise and maintain a system of
28 internal accounting controls sufficient to provide reasonable assurances that the issuer’s

1 corporate transactions were executed in accordance with management's authorization and
2 in a manner to permit the preparation of financial statements in conformity with GAAP.

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

9 VI.

10 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, pursuant to
11 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited
12 from acting as an officer or director of any issuer that has a class of securities registered
13 pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file
14 reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

15 VII.

16 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that
17 Defendant is liable for a civil penalty in the amount of \$160,000. Defendant shall satisfy
18 his obligation by paying \$160,000 to the Securities and Exchange Commission within 30
19 days after entry of this Default Judgment.

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

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2 Enterprise Services Center

3 Accounts Receivable Branch

4 6500 South MacArthur Boulevard

5 Oklahoma City, OK 73169 and shall be accompanied by a letter identifying the case
6 title, civil action number, and name of this Court; Ramón Lafarga Bátiz as a defendant in
7 this action; and specifying that payment is made pursuant to this Default Judgment.

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

12
13 The Commission may enforce the Court's judgment for penalties by the use of all
14 collection procedures authorized by law, including the Federal Debt Collection Procedures
15 Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the violation of any Court
16 orders issued in this action. Defendant shall pay post judgment interest on any amounts
17 due after 30 days of the entry of this Default Judgment pursuant to 28 U.S.C. § 1961. The
18 Commission shall hold the funds, together with any interest and income earned thereon
19 (collectively, the "Fund"), pending further order of the Court.

20 The Commission may propose a plan to distribute the Fund subject to the Court's
21 approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair
22 Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall
23 retain jurisdiction over the administration of any distribution of the Fund and the Fund may
24 only be disbursed pursuant to an Order of the Court.

25 Regardless of whether any such Fair Fund distribution is made, amounts ordered to
26 be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the
27 government for all purposes, including all tax purposes. To preserve the deterrent effect
28 of the civil penalty, Defendant shall not, after offset or reduction of any award of

1 compensatory damages in any Related Investor Action based on Defendant’s payment of
2 disgorgement in this action, argue that he is entitled to, nor shall he further benefit by,
3 offset or reduction of such compensatory damages award by the amount of any part of
4 Defendant’ payment of a civil penalty in this action (“Penalty Offset”). If the court in any
5 Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after
6 entry of a Default order granting the Penalty Offset, notify the Commission’s counsel in
7 this action and pay the amount of the Penalty Offset to the United States Treasury or to a
8 Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional
9 civil penalty and shall not be deemed to change the amount of the civil penalty imposed in
10 this Judgment. For purposes of this paragraph, a “Related Investor Action” means a private
11 damages action brought against any Defendant by or on behalf of one or more investors
12 based on substantially the same facts as alleged in the Complaint in this action.

13 VIII.

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

23 IX.

24 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Court
25 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Default
26 Judgment.

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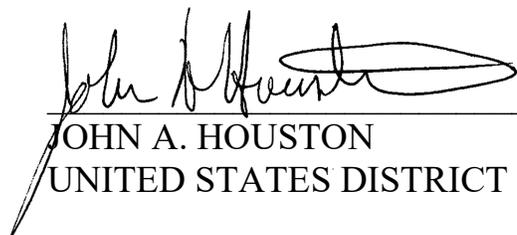
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X.

For the reasons stated on the record and good cause appearing, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, **IT IS HEREBY ORDERED** the Clerk of Court shall enter this Default Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: June 29, 2021



JOHN A. HOUSTON
UNITED STATES DISTRICT JUDGE

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