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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

United States Securities and Exchange
Commission,

Plaintiff,

v.

D.A. Spargo & Company LLC,

Defendant.

No. CV-25-01043-PHX-DJH

FINAL JUDGMENT

The Securities and Exchange Commission (the “SEC”) has filed a Motion to Approve the parties’ Consent Judgment. (Doc. 8). The SEC and Defendant D.A. Spargo & Company LLC have agreed to the entry of this Final Judgment to resolve all matters in dispute in this action. (*Id.*)

Accordingly,

IT IS ORDERED that the SEC’s Motion to Approve the parties Consent Judgment (Doc. 8) is **GRANTED**. The Court adopts their stipulated settlement terms (Doc. 8-1) and enters Final Judgment as follows:

I.

IT IS ORDERED that Defendant is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the

1 mails, or of any facility of any national securities exchange, in connection with the
2 purchase or sale of any security:

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

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

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

9 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person,
10 or (ii) disseminating false or misleading documents, materials, or information or making,
11 either orally or in writing, any false or misleading statement in any communication with
12 any investor or prospective investor, about:

13 (A) any investment in or offering of securities,

14 (B) the registration status of such offering or of such securities,

15 (C) the prospects for success of any product or company,

16 (D) the use of investor funds; or

17 (E) the misappropriation of investor funds or investment proceeds.

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

23 **II.**

24 **IT IS FURTHER ORDERED** that Defendant is permanently restrained and
25 enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act")
26 [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or
27 instruments of transportation or communication in interstate commerce or by use of the
28 mails, directly or indirectly:

- 1 (a) to employ any device, scheme, or artifice to defraud;
- 2 (b) to obtain money or property by means of any untrue statement of a material
- 3 fact or any omission of a material fact necessary in order to make the statements
- 4 made, in light of the circumstances under which they were made, not
- 5 misleading; or
- 6 (c) to engage in any transaction, practice, or course of business which operates
- 7 or would operate as a fraud or deceit upon the purchaser
- 8 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person,
- 9 or (ii) disseminating false or misleading documents, materials, or information or making,
- 10 either orally or in writing, any false or misleading statement in any communication with
- 11 any investor or prospective investor, about:
- 12 (A) any investment in or offering of securities,
- 13 (B) the registration status of such offering or of such securities,
- 14 (C) the prospects for success of any product or company,
- 15 (D) the use of investor funds; or
- 16 (E) the misappropriation of investor funds or investment proceeds.

17 **IT IS FURTHER ORDERED** that as provided in Federal Rule of Civil Procedure

18 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this

19 Final Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants,

20 employees, and attorneys; and (b) other persons in active concert or participation with

21 Defendant or with anyone described in (a).

22 **III.**

23 **IT IS FURTHER ORDERED** that Defendant is liable, jointly and severally with

24 co-defendants David A. Spargo and CannaCloud, Inc., for disgorgement of \$1,504,559,

25 representing net profits gained as a result of the conduct alleged in the Complaint, together

26 with prejudgment interest thereon in the amount of \$313,449, for a total of \$1,818,008.

27 Defendant shall satisfy this obligation by paying \$1,818,008 to the Securities and Exchange

28 Commission within 30 days after entry of this Final Judgment.

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

7 Enterprise Services Center
8 Accounts Receivable Branch
9 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

10 and shall be accompanied by a letter identifying the case title, civil action number, and
11 name of this Court; D.A. Spargo & Co. LLC as a defendant in this action; and specifying
12 that payment is made pursuant to this Final Judgment.

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

17 The Commission shall hold the funds (collectively, the "Fund") until further order
18 of this Court. The SEC may propose a plan to distribute the Fund subject to the Court's
19 approval, and the Court shall retain jurisdiction over the administration of any distribution
20 of the Fund.

21 The Commission may enforce the Court's judgment for disgorgement and
22 prejudgment interest by using all collection procedures authorized by law, including, but
23 not limited to, moving for civil contempt at any time after 30 days following entry of this
24 Final Judgment. Defendant shall pay post judgment interest on any amounts due after 30
25 days of entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

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IV.

IT IS FINALLY ORDERED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated this 24th day of April, 2025.



Honorable Diane J. Humetewa
United States District Judge