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12 UNITED STATES DISTRICT COURT
13 NORTHERN DISTRICT OF CALIFORNIA
14

15 SECURITIES AND EXCHANGE COMMISSION,
16 Plaintiff,
17 vs.
18 MATTHEW MORAVEC,
19 Defendant.
20

Case No. 22-cv-09044-TLT

~~PROPOSED~~ FINAL
JUDGMENT AS TO
DEFENDANT MATTHEW
MORAVEC

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

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)] by, directly or indirectly, in the absence of any applicable exemption:

(a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or

(c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

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 FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to Section 21(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], for a period of three years from the entry of the Court's final judgment in this case, Defendant is restrained and enjoined from participating, directly or indirectly, in any offering of a crypto asset security; provided, however, that such undertaking shall not prevent Defendant from purchasing or selling crypto asset securities for his own personal account.

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

6 IV.

7 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
 8 Defendant is liable for disgorgement of \$407,103, representing net profits gained as a result of
 9 the conduct alleged in the Complaint, together with prejudgment interest thereon in the
 10 amount of \$72,209, and a civil penalty in the amount of \$95,000 pursuant to Section 20(d) of
 11 the Securities Act [15 U.S.C. § 77t(d)]. Defendant shall satisfy this obligation by paying
 12 \$574,312 to the Securities and Exchange Commission within 30 days after entry of this Final
 13 Judgment.

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

20 Enterprise Services Center
 21 Accounts Receivable Branch
 22 6500 South MacArthur Boulevard
 Oklahoma City, OK 73169

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

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

3 The Commission may enforce the Court's judgment for disgorgement and
4 prejudgment interest by using all collection procedures authorized by law, including, but not
5 limited to, moving for civil contempt at any time after 30 days following entry of this Final
6 Judgment.

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

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

19 Regardless of whether any such Fair Fund distribution is made, amounts ordered to be
20 paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the
21 government for all purposes, including all tax purposes. To preserve the deterrent effect of
22 the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory
23 damages in any Related Investor Action based on Defendant's payment of disgorgement in
24 this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of
25 such compensatory damages award by the amount of any part of Defendant's payment of a
26 civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action
27 grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order
28 granting the Penalty Offset, notify the Commission's counsel in this action and pay the

1 amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the
2 Commission directs. Such a payment shall not be deemed an additional civil penalty and shall
3 not be deemed to change the amount of the civil penalty imposed in this Judgment. For
4 purposes of this paragraph, a “Related Investor Action” means a private damages action
5 brought against Defendant by or on behalf of one or more investors based on substantially the
6 same facts as alleged in the Complaint in this action.

7 V.

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

11 VI.

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


20 VII.

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

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: January 27, 2023, ~~2022~~

A handwritten signature in black ink, appearing to read "Trina L. Thompson", is written over a horizontal line.

UNITED STATES DISTRICT JUDGE
Trina L. Thompson