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13 **UNITED STATES DISTRICT COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA**

15 SECURITIES AND EXCHANGE
COMMISSION,
16 Plaintiff,
17 vs.
18 ROBERT “LUTE” DAVIS, *et al.*,
19 Defendants.

Case No.: 2:18-cv-10481-FMO-JC

**JUDGMENT AS TO DEFENDANT
MARCUS BRADFORD BRAY**

20 The Securities and Exchange Commission having filed a Complaint and Defendant
21 Marcus Bradford Bray (“Defendant” or “Bray”) having entered a general appearance; consented
22 to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to
23 entry of this Judgment without admitting or denying the allegations of the Complaint (except as
24 to jurisdiction and except as otherwise provided herein in paragraph IV); waived findings of fact
25 and conclusions of law; and waived any right to appeal from this Judgment:
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I.

PERMANENT INJUNCTIVE RELIEF

A.

Section 5 of the Securities Act of 1933 (“Securities Act”)

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] 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;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; 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].

II.

DISGORGEMENT, PREJUDGMENT INTEREST AND CIVIL PENALTY

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4 Upon motion of the Commission, the Court shall determine whether it is appropriate to
5 order disgorgement of ill-gotten gains and/or a civil penalty pursuant to Section 20(d) of the
6 Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C.
7 § 78u(d)(3)] and, if so, the amount(s) of the disgorgement and/or civil penalty. If disgorgement
8 is ordered, Defendant shall pay prejudgment interest thereon, calculated from June 1, 2014,
9 based on the rate of interest used by the Internal Revenue Service for the underpayment of
10 federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's
11 motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a)
12 Defendant will be precluded from arguing that he did not violate the federal securities laws as
13 alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this
14 Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be
15 accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in
16 the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative
17 testimony, and documentary evidence, without regard to the standards for summary judgment
18 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the
19 Commission's motion for disgorgement and/or civil penalties, the parties may take discovery,
20 including discovery from appropriate non-parties.
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1 **III.**

2 **INCORPORATION OF CONSENT**

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

7 **IV.**

8 **BANKRUPTCY NONDISCHARGEABILITY**

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

19 **RETENTION OF JURISDICTION**

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

RULE 54(b) CERTIFICATION

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 Judgment forthwith and without further notice.

Dated: _____ April 11, 2019

/s/

FERNANDO M. OLGUIN
UNITED STATES DISTRICT JUDGE

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