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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

SHE BEVERAGE COMPANY, INC.,
LUPE L. ROSE, SONJA F. SHELBY
AND KATHERINE E. DIRDEN,
Defendants.

Case No. 2:21-cv-07339-CAS-ASx

JUDGMENT AS TO LUPE L. ROSE

The Securities and Exchange Commission having filed a Complaint and Defendant Lupe L. Rose having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph III); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED 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 mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

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

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to

1 make the statements made, in light of the circumstances under which
2 they were made, not misleading; or

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

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided
6 in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the
7 following who receive actual notice of this Judgment by personal service or otherwise:

- 8 (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other
9 persons in active concert or participation with Defendant or with anyone described in
10 (a).

11 **III.**

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

- 16 (a) Unless a registration statement is in effect as to a security, making
17 use of any means or instruments of transportation or communication
18 in interstate commerce or of the mails to sell such security through
19 the use or medium of any prospectus or otherwise;
- 20 (b) Unless a registration statement is in effect as to a security, carrying or
21 causing to be carried through the mails or in interstate commerce, by
22 any means or instruments of transportation, any such security for the
23 purpose of sale or for delivery after sale; or
- 24 (c) Making use of any means or instruments of transportation or
25 communication in interstate commerce or of the mails to offer to sell
26 or offer to buy through the use or medium of any prospectus or
27 otherwise any security, unless a registration statement has been filed
28 with the Commission as to such security, or while the registration

1 statement is the subject of a refusal order or stop order or (prior to the
2 effective date of the registration statement) any public proceeding or
3 examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided
5 in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the
6 following who receive actual notice of this Judgment by personal service or otherwise:

7 (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other
8 persons in active concert or participation with Defendant or with anyone described in
9 (a).

10 **IV.**

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to
12 Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the
13 Securities Act [15 U.S.C. § 77t(e)], Defendant is permanently following the date of
14 entry of this Judgment, from acting as an officer or director of any issuer that has a class
15 of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or
16 that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C.
17 § 78o(d)].

18 **V.**

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
20 Defendant shall pay disgorgement of ill-gotten gains and prejudgment interest thereon;
21 that the amounts of the disgorgement and civil penalty shall be determined by the Court
22 upon motion of the Commission; and that prejudgment interest shall be calculated from
23 January 1, 2017, based on the rate of interest used by the Internal Revenue Service for
24 the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). Upon
25 motion of the Commission, the Court shall determine whether a civil penalty pursuant
26 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the
27 Exchange Act [15 U.S.C. § 78u(d)(3)] is appropriate and, if so, the amount of the
28 penalty. In connection with the Commission's motion for disgorgement and/or civil

1 penalties, and at any hearing held on such a motion: (a) Defendant will be precluded
2 from arguing that she did not violate the federal securities laws as alleged in the
3 Complaint; (b) Defendant may not challenge the validity of the Consent or this
4 Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint
5 shall be accepted as and deemed true by the Court; and (d) the Court may determine the
6 issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn
7 deposition or investigative testimony, and documentary evidence, without regard to the
8 standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil
9 Procedure. In connection with the Commission’s motion for disgorgement and/or civil
10 penalties, the parties may take discovery, including discovery from appropriate non-
11 parties.

12 **VI.**

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

22 **VII.**

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

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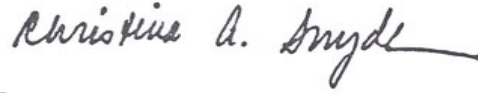
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VIII.

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 Judgment forthwith and without further notice.

Dated: March 29, 2023



HON. CHRISTINA A. SNYDER
UNITED STATES DISTRICT JUDGE

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