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3 *PRO HAC VICE APPLICATION PENDING*

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18 **UNITED STATES DISTRICT COURT**
19 **CENTRAL DISTRICT OF CALIFORNIA**

20 **SECURITIES AND EXCHANGE**
21 **COMMISSION,**

22 **Plaintiff,**

23 **vs.**

24 **RENEW SPINAL CARE, INC.,**
25 **LASERSCOPIC MEDICAL**
26 **CLINIC, LLC, JOE SAMUEL**
27 **BAILEY, BARRY EDWARD**
28 **MITCHELL, LAURENCE**
GROSSNICKLE, and
CHARLES CLEMENT
GOUBERT, JR.,

Defendants.

Case No. CV 20 - 3676

COMPLAINT

Plaintiff Securities and Exchange Commission (“SEC”) files this Complaint against Defendants Renew Spinal Care, Inc. (“Renew”), Laserscopic Medical Clinic, LLC (“Laserscopic”), Joe Samuel Bailey (“Bailey”), Barry Edward

1 Mitchell (“Mitchell”), Laurence Grossnickle (“Grossnickle”), and Charles Clement
2 Goubert, Jr. (“Goubert”) (collectively, “Defendants”) and alleges as follows:

3 **JURISDICTION AND VENUE**

4 1. This Court has jurisdiction over this action pursuant to Sections 20(b),
5 20(d), and 22(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§
6 77t(b), 77t(d), and 77v(a)] and Sections 21(d), 21(e), and 27(a) of the Securities
7 Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78u(d), 78u(e), and
8 78aa(a)]. The investments offered, purchased, and sold as alleged herein are
9 securities as defined in the Securities Act and the Exchange Act. Defendants
10 directly or indirectly made use of the means or instrumentalities of interstate
11 commerce or the mails in connection with the transactions, acts, practices, and
12 courses of business alleged herein.

13 2. Venue is proper in this district pursuant to Section 22(a) of the
14 Securities Act [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15
15 U.S.C. § 78aa(a)]. Certain of the transactions, acts, practices, and courses of
16 business constituting violations of the federal securities laws occurred within this
17 district. Defendants offered and sold securities at issue in this district. Mitchell,
18 Grossnickle, and Goubert also reside in this district.

19 **SUMMARY OF THE ACTION**

20 3. Between approximately February 2016 and June 2018, Defendants
21 raised approximately \$15 million from at least 200 investors in 13 fraudulent
22 unregistered securities offerings that promised to use investor funds to establish
23 and market Minimally Invasive Spinal Surgery (“MISS”) centers across the
24 country.

25 4. Bailey established Renew to facilitate MISS treatments for attorney-
26 referred clients. Bailey sought to expand Renew’s business by raising money from
27 investors to fund Renew-branded clinics in select cities. The offering documents
28

1 represented to investors that their funds would be used to establish and market one
2 or more designated Renew clinics associated with a specific limited partnership. In
3 return, the investors would receive interests in the limited partnership and the right
4 to receive fixed “success marketing fees” for each MISS procedure performed at
5 the Renew clinics associated with the limited partnership.

6 5. The offerings were fraudulent in multiple respects. Even though the
7 offerings raised approximately \$15 million for 29 clinics, Renew never established
8 a single investor-funded, Renew-branded clinic. Bailey, through Renew and a
9 second company he controlled, Laserscopic, misused nearly \$5 million of investor
10 funds to repay short-term loans and other debts and expenses unrelated to the
11 offerings or clinics. In addition, Bailey claimed to pay success marketing fees to
12 investors from clinic operations, when in fact the payments were funded using
13 other investors’ money and loans.

14 6. Mitchell, Grossnickle and Goubert (collectively “MG&G”), directly
15 and through a commissioned sales staff, offered and sold interests in 13 limited
16 partnerships (the “LPs”) in 13 unregistered offerings. MG&G, who controlled the
17 LPs through their general partner entities, misused approximately \$7.6 million of
18 the investor funds raised in the offerings that the offering documents represented
19 would be used for marketing to procure patients for the clinics. Approximately
20 \$913,000 of these funds were used to pay MG&G cash distributions, while the
21 other funds were used to pay proscribed sales commissions to the sales staff and
22 for other unauthorized purposes.

23 7. By reason of this misconduct, Defendants violated, and unless
24 enjoined will continue to violate, Sections 17(a)(1) and 17(a)(3) of the Securities
25 Act [15 U.S.C. §§ 77q(a)(1), 77q(a)(3)], Section 10(b) of the Exchange Act [15
26 U.S.C. § 78j(b)] and Rules 10b-5(a) and 10b-5(c) thereunder [17 C.F.R.
27 §§ 240.10b-5(a), 240.10b-5(c)], and, with respect to MG&G, Sections 5(a), 5(c),
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1 and 17(a)(2) of the Securities Act [15 U.S.C. §§ 77e, 77q(a)(2)]. To protect the
2 public from further violations of the federal securities laws, the SEC brings this
3 action seeking permanent injunctive relief, disgorgement of ill-gotten gains plus
4 prejudgment interest, civil penalties, and all other equitable and ancillary relief the
5 Court deems necessary.

6 **DEFENDANTS**

7 8. Renew Spinal Care, Inc. is a Texas corporation with its principal place
8 of business in Baxter County, Arkansas. Bailey controlled Renew during the
9 relevant period.

10 9. Laserscopic Medical Clinic, LLC, is a Florida limited liability
11 company with its principal place of business in Baxter County, Arkansas. Bailey
12 controlled Laserscopic during the relevant period.

13 10. Joe Samuel Bailey is an individual who resides in Baxter County,
14 Arkansas.

15 11. Barry Edward Mitchell is an individual who resides in Los Angeles
16 County, California.

17 12. Laurence Grossnickle is an individual who resides in Los Angeles
18 County, California.

19 13. Charles Clement Goubert, Jr. is an individual who resides in San
20 Bernardino County, California.

21 **FACTUAL ALLEGATIONS**

22 **A. Background**

23 14. In 2012, Bailey, who states that he first started in business
24 development for Minimally Invasive Spine Surgery in 1996, launched Renew as a
25 single clinic in Tampa, Florida. Bailey conceived Renew to serve as a facilitator of
26 MISS treatments for attorney-referred clients. In return for acquiring the rights to
27 the clients' medical portion of their personal injury claims, Renew, on behalf of the
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1 clients, fronted negotiated, discounted fees to the MISS-performing doctors and
2 hosting surgical facilities. This Letter of Protection (“LOP”) model would benefit
3 all parties: the doctor and surgical facility would receive cash up-front in return for
4 discounting their fees; the injured client could undergo MISS immediately without
5 having to wait on settlement negotiations or the outcome of litigation; and Renew
6 would benefit from the profit margin between the discounted up-front fees it paid
7 and the payout it eventually received on the patients’ claims.

8 15. By 2015, Renew’s single site in Tampa, Florida was in financial
9 trouble, the product of long payout delays, and settlement amounts less than
10 Renew’s fronted fee payments. After depleting other financing sources, Bailey
11 resorted to short-term loans to try to keep Renew afloat.

12 **B. The Unregistered Limited Partnership Offerings**

13 16. In early 2016, Bailey sought to replicate Renew’s Tampa-based LOP
14 model by raising money from investors to fund Renew-branded clinics in select
15 cities throughout the United States. Investor funds would be used to establish,
16 equip, and market the clinics, and to recruit and train staff. In return, investors
17 would receive a limited partnership interest and a fixed fee, deemed a “success
18 marketing fee,” for each MISS procedure, deemed a “revenue event,” performed at
19 the Renew clinic(s) associated with the offering.

20 17. The offerings’ essential terms were as follows: (1) MG&G would
21 raise funds for Renew’s benefit, selling interests in limited partnerships to
22 investors; (2) the investor funds would be used to recruit and train staff, to
23 establish and equip the clinics, and to market the clinics to potential clients (*i.e.*,
24 patients and doctors); and (3) in return for their investment, investors would
25 receive interests in the limited partnership and the right to receive fixed success
26 marketing fees for each MISS procedure performed at the clinic(s) associated with
27 the limited partnership.

Start Date	LPs and Clinic Sites	GP	Amount Raised
2/1/2016	Spine Management, LP (Dallas (2))	Thorn	\$887,428
2/1/2016	Chartered Medical Solutions, LP (NYC Metro (3))	Chartered Med	\$1,472,500
4/1/2016	Atlanta Nashville Medical, LP (Atlanta, Nashville)	SN Med	\$325,500
8/8/2016	Phoenix Metro Medical, LP (Phoenix)	Thorn	\$500,000
8/8/2016	Chartered Medical Solutions II, LP (LA, Newport Beach, Santa Barbara)	Chartered Med	\$1,406,250
11/21/2016	Nashville Clinic, LP (Nashville (2))	SN Med	\$1,324,225
2/14/2017	Arkansas MISS, LP (Arkansas (2))	Chartered Med	\$1,047,988
3/8/2017	Virginia MISS, LP (Charlottesville (2))	Chartered Med	\$1,365,850
5/4/2017	Carolina Spinal, LP (SC, Tristate)	Medi-Clinic	\$1,200,400
8/18/2017	Atsan, LP (Atlanta, San Antonio)	Medi-Clinic	\$1,425,000
10/5/2017	Portco, LP (Portland, Denver)	Medi-Clinic	\$837,500
11/15/2017	Colmark, LP (Ohio, Mass., Minn)	Medi-Clinic	\$1,724,000
1/4/2018	Chicago Clinics, LP (Chicago (3))	Medi-Clinic	\$1,226,710
	Investor funds not credited to specific LP		\$330,000
Total:	29 Clinics		\$15,073,351

22. The CIMs held MG&G out as the managing members of the respective GPs, and MG&G were identified as officers, managers, and/or directors of the respective LP-Entities. MG&G were also signatories on, and controlled the bank accounts of, the GPs and the LPs.

1 27. No registration statement has ever been in effect as to any of the
2 limited partnership interests.

3 28. The limited partnership interests were offered in one, integrated
4 securities offering: the offerings included a single plan of financing; the offerings
5 were for the same class of securities; the offerings were made in serial fashion; the
6 offerings were for the same type of consideration; and the proceeds of the offerings
7 were used for the same general purpose.

8 **C. Representations to Investors**

9 29. The CIMs stated that investor funds would be used to establish Renew
10 clinics. Investors were told that “[t]he partnership can be looked upon as a satellite
11 office for the use of the technology in the chosen field of the expertise of Renew
12 Spinal Care, Inc.” The CIMs further represented that the clinics were “an
13 extension of Renew’s main clinic, and this partnership and other unrelated
14 partnerships are being established to spread the technology and expertise of
15 Renew.” Renew was tasked with choosing the clinic location, leasing the building,
16 designing the buildout, equipping the clinic, and hiring and training the staff.

17 30. The CIMs also included specific representations about material
18 aspects of the limited partnership’s operations, the use of investor funds, and
19 investor returns. For example:

TOPIC	REPRESENTATION
Business Location	Each CIM disclosed a geographic location for each clinic.
Fees to the General Partner	Investors will receive 100% of the “Success Marketing Fee” generated by the “Revenue Event” less a 4.5% Administration Fee, plus any reasonable tax preparation

1		and filing costs for a minimum of five years, and up to
2		\$16,000 per clinic reimbursement to the Managing Partner
3		for Corporation formation and Partnership formation.
4		
5		<i>These were the <u>only</u> fees identified in the CIMs to be paid</i>
6		<i>to the General Partner</i>
7		
8	Commissions	“There will be no commissions paid in this offering”
9		
10	Use of Proceeds	50% of proceeds will be spent on “marketing costs, patient
11		prospecting, preliminary employee screening, and the
12		assignment of the Revenue Event Fee.”
13		
14	Use of Proceeds	35% of proceeds will be spent on “consulting and
15		developing cost, physician interview, evaluation and
16		training, office equipment and design consistent with
17		branding target...”
18		
19	Use of Proceeds	“All of the costs” for the offering should be for “patient
20		prospecting, marketing, patient evaluation, insurance
21		compliance, surgery scheduling and post-operative review
22		and support.”
23		
24	Investor Returns	Each Revenue Event Fee “will generate a \$1,000 Revenue
25		Event for the clinic and said proceeds less the
26		Administration Fee of 4.5% and any reasonable tax
27		
28		

	preparation and filings costs. The balance will be distributed to the [LP] Partners.”
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31. Each CIM also conveyed the impression that each clinic would be profitable in short order. For example, each CIM represented that the Renew clinic in question “appears to have the ability to distribute significant proceeds to the limited investors after the clinic becomes operational.... Said [LP] also projects to have the ability to return the entirety of investor capital with substantial profit during the life of the [LP] Units.” Each CIM projected hundreds of thousands of dollars in revenue during the first year and noted that the “...structure and Partnership will return multiples of the investment in the future years.”

32. Further, Renew’s public website featured photographs of purportedly Renew-affiliated MISS-performing doctors. Yet, many of these doctors had never heard of Renew or Bailey. And although the addresses of the website-featured facilities mirrored the clinic locations identified in the CIMs, these facilities were actually pre-existing established clinics that received no or minimal benefit (*e.g.*, training, equipment, marketing) from the proceeds of the offerings.

D. Bailey, Renew, and Laserscopic Deceived Investors and Misused Investor Funds

33. During the relevant time period, Renew received approximately \$7.245 million of investor funds. Of the \$7.245 million, approximately \$6.9 million was wired into a Laserscopic bank account that Bailey controlled; the remaining \$333,000 was wired into a Renew account that Bailey controlled. Although the CIMs required Renew to spend these funds on physician training, office equipment and staffing, and similar expenses for the respective clinics promoted in the offerings, Bailey used approximately \$4.95 million of the funds

1 for other purposes, including to repay short-term loans and other debts and
2 expenses unrelated to the clinics promoted in the offerings.

3 34. Bailey used the remaining approximately \$2.3 million of investor
4 funds and proceeds from loans to pay investors. Bailey falsely communicated that
5 these payments constituted success marketing fees generated by MISS procedures
6 performed at investor-funded clinics, and he circulated charts correlating discrete
7 sums of money to tallies of “revenue events” (*i.e.*, success marketing fees on MISS
8 procedures) purportedly generated by Renew clinics identified in his charts by
9 location. However, Bailey knew that these funds were not “success marketing
10 fees.”

11 **E. MG&G Also Deceived Investors and Misused Investor Funds**

12 35. Each of the 13 CIMs represented that approximately 50% of the
13 offering proceeds would be used for “marketing costs, patient prospecting,
14 preliminary employee screening, and the assignment of the Revenue Event Fee.”
15 The CIMs also represented that the only authorized compensation to the GPs and
16 MG&G was a 4.5% administrative fee, and the CIMs further represented that there
17 would be no payment of commissions.

18 36. These representations were false. The proceeds of the offerings were
19 initially deposited into the LPs’ bank accounts that Mitchell, Grossnickle, and/or
20 Goubert controlled as alleged above. Approximately \$7.6 million of investor funds
21 that should have been used for the marketing costs or other purposes authorized by
22 the CIMs were then transferred from the LPs’ bank accounts to the GPs’ bank
23 accounts that Mitchell, Grossnickle, and/or Goubert also controlled as alleged
24 above.

25 37. MG&G applied the transferred funds in at least three unauthorized
26 ways. First, and contrary to the terms of the CIMs, MG&G paid the sales people
27 10-15% commissions on sales of LP interests. Second, MG&G made direct

1 payments to themselves via checks, wires, and/or cash withdrawals. Third,
2 MG&G transferred millions of dollars out of the GPs' accounts to other accounts
3 that MG&G controlled, and the funds were then used for purposes inconsistent
4 with those represented in the CIMs, such as to pay the GPs' payroll and utilities.
5 Of the \$7.6 million, Mitchell personally received approximately \$634,123,
6 Grossnickle personally received approximately \$210,031, and Goubert personally
7 received approximately \$69,089.

8 38. MG&G each knew that their transfer and use of investor funds were
9 improper, because they were each familiar with the CIMs and knew that that the
10 investor funds entrusted to them were to be used for marketing costs, patient
11 prospecting, or other purposes authorized in the CIMs, and that the GPs were to
12 receive only a 4.5% administrative fee as compensation and that commission
13 payments were proscribed.

14 **FIRST CLAIM FOR RELIEF**

15 **Violations of the Antifraud Provisions of the Exchange Act**

16 **Section 10(b) of the Exchange Act and Rules 10b-5(a) and 10b-5(c) thereunder**
17 **(against all Defendants)**

18 39. The SEC re-alleges and incorporates by reference each and every
19 allegation contained in the paragraphs above.

20 40. By engaging in the conduct described herein, Defendants Renew,
21 Laserscopic, Bailey, Mitchell, Goubert, and Grossnickle, directly or indirectly,
22 singly or in concert with others, by the use of the means or instrumentalities of
23 interstate commerce and/or by use of the mails, in connection with the purchase or
24 sale of securities: (1) employed devices, schemes, and artifices to defraud; and/or
25 (2) engaged in acts, practices, and courses of business which operate or would
26 operate as a fraud and deceit upon purchasers, prospective purchasers, and any
27 other persons.

1 41. Defendants Renew, Laserscopic, Bailey, Mitchell, Goubert, and
2 Grossnickle each acted with scienter and engaged in the referenced acts knowingly
3 and/or with severe recklessness.

4 42. By reason of the foregoing, Defendants Renew, Laserscopic, Bailey,
5 Mitchell, Goubert, and Grossnickle violated and, unless enjoined, will continue to
6 violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5(a)
7 and 10b-5(c) thereunder [17 C.F.R. §§ 240.10b-5(a) and 240.10b-5(c)].

8 **SECOND CLAIM FOR RELIEF**

9 **Violations of the Antifraud Provisions of the Securities Act**
10 **Sections 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act**
11 **(against Defendants Mitchell, Goubert, and Grossnickle)**

12 43. The SEC re-alleges and incorporates by reference each and every
13 allegation contained in the paragraphs above.

14 44. By engaging in the conduct described herein, Defendants Mitchell,
15 Goubert, and Grossnickle, directly or indirectly, singly or in concert with others, in
16 the offer or sale of securities, by use of the means and instrumentalities of
17 interstate commerce and/or by use of the mails have: (1) employed devices,
18 schemes, and artifices to defraud; and/or (2) obtained money or property by means
19 of untrue statements of a material fact and omitted to state a material fact necessary
20 in order to make the statements made, in light of the circumstances under which
21 they were made, not misleading; and/or (3) engaged in transactions, practices, and
22 courses of business which operate or would operate as a fraud and deceit upon the
23 purchasers.

24 45. Defendants Mitchell, Goubert, and Grossnickle acted with scienter
25 and engaged in the referenced acts knowingly and/or with severe recklessness.
26 With regard to the violations of Sections 17(a)(2) and 17(a)(3) of the Securities
27 Act, such Defendants acted at least negligently.

1 46. By reason of the foregoing, Defendants Mitchell, Goubert, and
2 Grossnickle have violated and, unless enjoined, will continue to violate Sections
3 17(a)(1), 17(a)(2), and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1),
4 77q(a)(2), and 77q(a)(3)].

5 **THIRD CLAIM FOR RELIEF**

6 **Violations of the Antifraud Provisions of the Securities Act**

7 **Sections 17(a)(1) and 17(a)(3) of the Securities Act**

8 **(against Defendants Bailey, Laserscopic, and Renew)**

9 47. The SEC re-alleges and incorporates by reference each and every
10 allegation contained in the paragraphs above.

11 48. By engaging in the conduct described herein, Defendants Bailey,
12 Laserscopic, and Renew, directly or indirectly, singly or in concert with others, in
13 the offer or sale of securities, by use of the means and instrumentalities of
14 interstate commerce and/or by use of the mails have: (1) employed devices,
15 schemes, and artifices to defraud; and/or (2) engaged in transactions, practices, and
16 courses of business which operate or would operate as a fraud and deceit upon the
17 purchasers.

18 49. Defendants Bailey, Laserscopic, and Renew acted with scienter and
19 engaged in the referenced acts knowingly and/or with severe recklessness. With
20 regard to the violations of Section 17(a)(3) of the Securities Act, such Defendants
21 acted at least negligently.

22 50. By reason of the foregoing, Defendants Bailey, Laserscopic, and
23 Renew have violated and, unless enjoined, will continue to violate Sections
24 17(a)(1) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1) and 77q(a)(3)].

25 **FOURTH CLAIM FOR RELIEF**

26 **Violations of the Securities Registration Provisions of the Securities Act**

27 **Sections 5(a) and 5(c) of the Securities Act**

1 **(against Defendants Mitchell, Goubert, and Grossnickle)**

2 51. The SEC re-alleges and incorporates by reference each and every
3 allegation contained in the paragraphs above.

4 52. By engaging in the conduct described above, Defendants Mitchell,
5 Goubert, and Grossnickle, directly or indirectly, singly or in concert with others,
6 have (1) made use of the means and instruments of transportation and
7 communication in interstate commerce and of the mails to sell, through the use or
8 medium of any prospectus or otherwise, securities as to which no registration
9 statement was in effect; and/or (2) for the purpose of sale or delivery after sale,
10 carried and caused to be carried through the mails and in interstate commerce, by
11 the means and instruments of transportation, securities as to which no registration
12 statement was in effect; and/or (3) made use of the means or instruments of
13 transportation and communication in interstate commerce and of the mails to offer
14 to sell, through the use or medium of any prospectus or otherwise, securities as to
15 which no registration statement has been filed.

16 53. No exemptions from registration are applicable to the securities.

17 54. By reason of the foregoing, Defendants Mitchell, Goubert, and
18 Grossnickle, violated, and unless enjoined, will continue to violate Sections 5(a)
19 and 5(c) of the Securities Act [15 U.S.C. §§77e(a) and 77(e)(c)].

20 **PRAYER FOR RELIEF**

21 Wherefore, the SEC respectfully requests that this Court:

22 **I.**

23 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
24 Civil Procedure, permanently enjoining Defendants, and their officers, agents,
25 servants, employees and attorneys, and those persons in active concert or
26 participation with any of them, who receive actual notice of the judgment by
27 personal service or otherwise, and each of them, from violating, directly or

1 indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-
2 5(a) and 10b-5(c) thereunder [17 C.F.R. §§ 240.10b-5 and 240.10b-5(c)].

3 **II.**

4 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
5 Civil Procedure, permanently enjoining Defendants Mitchell, Goubert, and
6 Grossnickle, and their officers, agents, servants, employees and attorneys, and
7 those persons in active concert or participation with any of them, who receive
8 actual notice of the judgment by personal service or otherwise, and each of them,
9 from violating, directly or indirectly, Sections 5(a), 5(c), 17(a)(1), 17(a)(2), and
10 17(a)(3) of the Securities Act [15 U.S.C. §§ 77e(a), 77e(c), 77q(a)(1), 77q(a)(2),
11 and 77q(a)(3)].

12 **III.**

13 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
14 Civil Procedure, permanently enjoining Defendants Bailey, Laserscopic, and
15 Renew, and their officers, agents, servants, employees and attorneys, and those
16 persons in active concert or participation with any of them, who receive actual
17 notice of the judgment by personal service or otherwise, and each of them, from
18 violating, directly or indirectly, Sections 17(a)(1) and 17(a)(3) of the Securities Act
19 [15 U.S.C. §§ 77q(a)(1) and 77q(a)(3)].

20 **IV.**

21 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of
22 Civil Procedure, permanently enjoining Defendants Mitchell, Goubert, and
23 Grossnickle from directly or indirectly, including, but not limited to, through any
24 entity owned or controlled by any of them, and their officers, agents, servants,
25 employees and attorneys, and those persons in active concert or participation with
26 any of them, who receive actual notice of the judgment by personal service or
27 otherwise, and each of them, participating in the issuance, purchase, offer, or sale

1 of any security, provided, however, that such injunction shall not prevent
2 Defendants Mitchell, Goubert, and Grossnickle from purchasing or selling
3 securities for their own personal accounts.

4 **V.**

5 Order Defendants to disgorge all ill-gotten gains realized by them, plus
6 prejudgment interest.

7 **VI.**

8 Order Defendants to each pay a civil penalty pursuant to Section 20(d) of the
9 Securities Act [15 U.S.C. § 77t(d)] and/or Section 21(d)(3) of the Exchange Act
10 [15 U.S.C. § 78u(d)(3)].

11 **VII.**

12 Retain jurisdiction of this action in accordance with the principles of equity
13 and the Federal Rules of Civil Procedure in order to implement and carry out the
14 terms of all orders and decrees that may be entered, or to entertain any suitable
15 application or motion for additional relief within the jurisdiction of this Court.

16 **VIII.**

17 Grant such other and further relief as this Court may deem just and proper.

18
19 Dated: April 22, 2020

20 /s/ Amy J. Longo

21 AMY LONGO
22 Attorney for Plaintiff
23 Securities and Exchange Commission
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