

The Honorable Ricardo S. Martinez

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

KAMILLA BJORLIN, ANDREW HODGE, and
BRIAN NICHOLS,

Defendants.

CASE NO. 2:17-cv-1600-RSM

FINAL JUDGMENT AS TO
DEFENDANT ANDREW
HODGE

The Securities and Exchange Commission (“Commission”) having filed a Complaint and Defendant Andrew Hodge (“Hodge”) having entered a general appearance; consented to the Court’s jurisdiction over him and the subject matter of this action; consented to entry of this Final Judgment (“Final Judgment”) without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in Paragraph VII); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment, IT IS HEREBY ORDERED AND ADJUDGED that:

I.

PERMANENT INJUNCTION AS TO SECTION 17(a) OF THE SECURITIES ACT

Hodge is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (“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: (i) to employ any device, scheme, or artifice to defraud; (ii) 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 make the statements made, in light of the circumstances under which they were made, not misleading; or (iii) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

As provided in Rule 65(d)(2) of the Federal Rules of Civil Procedure, the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (i) Hodge’s agents, servants, employees, and attorneys; and (ii) other persons in active concert or participation with Hodge or with anyone described in (i).

II.

PERMANENT INJUNCTION AS TO SECTION 17(b) OF THE SECURITIES ACT

Hodge is permanently restrained and enjoined from violating Section 17(b) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. § 77q(b), by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, to publish, give publicity to, or circulate any notice, circular, advertisement, newspaper, article, letter, investment service, or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

As provided in Rule 65(d)(2) of the Federal Rules of Civil Procedure, the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal

1 service or otherwise: (i) Hodge’s agents, servants, employees, and attorneys; and (ii) other persons
2 in active concert or participation with Hodge or with anyone described in (i).

3 **III.**

4 **PERMANENT INJUNCTION AS TO**

5 **SECTION 10(b) AND RULE 10b-5 OF THE EXCHANGE ACT**

6 Hodge is permanently restrained and enjoined from violating, directly or indirectly, Section
7 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b)
8 and 17 C.F.R. § 240.10b-5, by using any means or instrumentality of interstate commerce, or of
9 the mails, or of any facility of any national securities exchange, in connection with the purchase
10 or sale of any security: (i) to employ any device, scheme, or artifice to defraud; (ii) to make any
11 untrue statement of a material fact or to omit to state a material fact necessary in order to make the
12 statements made, in the light of the circumstances under which they were made, not misleading;
13 or (iii) to engage in any act, practice, or course of business which operates or would operate as a
14 fraud or deceit upon any person.

15 As provided in Rule 65(d)(2) of the Federal Rules of Civil Procedure, the foregoing
16 paragraph also binds the following who receive actual notice of this Final Judgment by personal
17 service or otherwise: (i) Hodge’s agents, servants, employees, and attorneys; and (ii) other persons
18 in active concert or participation with Hodge or with anyone described in (i).

19 **IV.**

20 **DISGORGEMENT AND CIVIL PENALTY**

21 Hodge is liable for disgorgement of \$314,610, representing ill-gotten gains received by
22 him as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon
23 in the amount of \$76,968, and a civil penalty in the amount of \$75,000 pursuant to 15 U.S.C.
24 §§ 77t(d) and 15 U.S.C. § 78u(d)(3).

25 Hodge shall satisfy this obligation by paying the total amount of \$466,578, plus post-
26 judgment interest, to the Commission in five installments as set forth herein. Payments shall be
27 deemed made on the date they are received by the Commission and shall be applied first to post

1 judgment interest, which accrues pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after
2 30 days of the entry of Final Judgment.

3 The five installment payments shall be made to the Commission according to the following
4 schedule: (1) the first installment of \$69,986 is due within 30 days of entry of this Final Judgment;
5 (2) the second installment of \$99,148 is due within 90 days of entry of this Final Judgment; (3) the
6 third installment of \$99,148 is due within 180 days of entry of this Final Judgment; (4) the fourth
7 installment of \$99,148 is due within 270 days of entry of this Final Judgment; and (5) the fifth
8 installment of \$99,148, plus an amount equal to the accrued post-judgment interest, is due within
9 365 days of entry of this Final Judgment. Prior to making the final payment set forth herein, Hodge
10 shall contact the staff of the Commission for the amount due for the final payment.

11 If Hodge fails to make any payment by the date agreed and/or in the amount agreed
12 according to the schedule set forth above, all outstanding payments under this Final Judgment,
13 including post-judgment interest, minus any payments made, shall become due and payable
14 immediately at the discretion of the staff of the Commission without further application to the
15 Court.

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

22 Enterprise Services Center
23 Accounts Receivable Branch
24 6500 South MacArthur Boulevard
25 Oklahoma City, OK 73169

26 and shall be accompanied by a letter identifying this action (*SEC v. Kamilla Bjorlin, et al.*, 2:17-
27 cv-1600-RSM (W.D. Wash.)); identifying Hodge as a defendant in this action; and specifying that
28 payment is made pursuant to this Final Judgment.

1 Hodge shall simultaneously transmit photocopies of evidence of payment and case
2 identifying information to the Commission's counsel in this action. By making these payments,
3 Hodge relinquishes all legal and equitable right, title, and interest in such funds and no part of the
4 funds shall be returned to Hodge. The Commission shall send the funds paid pursuant to this Final
5 Judgment to the United States Treasury.

6 The Commission may enforce the Court's judgment for disgorgement and prejudgment
7 interest by moving for civil contempt (and/or through other collection procedures authorized by
8 law) at any time after 30 days following entry of this Final Judgment. Hodge shall pay post
9 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

10 **V.**

11 **PENNY STOCK BAR**

12 Pursuant to Section 20(g) of the Securities Act, 15 U.S.C. § 77t(g), and Section 21(d)(6)
13 of the Exchange Act, 15 U.S.C. § 78u(d)(6), Hodge is barred, for a period of five years following
14 the date of entry of this Final Judgment, from participating in an offering of penny stock, including
15 engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing
16 or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity
17 security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the
18 Exchange Act, 17 C.F.R. 240.3a51-1.

19 **VI.**

20 **INCORPORATION OF CONSENT**

21 The Consent is incorporated herein with the same force and effect as if fully set forth
22 herein, and Hodge shall comply with all of the undertakings and agreements set forth therein.

23 **VII.**

24 **BANKRUPTCY NONDISCHARGEABILITY**

25 Solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy
26 Code, 11 U.S.C. § 523, the allegations in the Complaint are true and admitted by Hodge, and
27

1 further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by
2 Hodge under this Final Judgment or any other judgment, order, consent order, decree or settlement
3 agreement entered in connection with this proceeding, is a debt for the violation by Hodge of the
4 federal securities laws or any regulation or order issued under such laws, as set forth in Section
5 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).
6

7 **VIII.**

8 **RETENTION OF JURISDICTION**

9 This Court shall retain jurisdiction of this matter and of Hodge for the purposes of enforcing
10 the terms of this Final Judgment.

11 **IX.**

12 **RULE 54(b) CERTIFICATION**

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

15 Dated: Seattle, Washington

16 January 8, 2020

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19 **RICARDO S. MARTINEZ**
20 **CHIEF UNITED STATES DISTRICT JUDGE**