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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
Western Division

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

LIFE WEALTH MANAGEMENT,
INC., and JEFFERY S. PRESTON,

Defendants.

Case No. 2:10-cv-04769-RSWL-MAN

**FINAL JUDGMENT AS TO
DEFENDANTS LIFE WEALTH
MANAGEMENT, INC. AND JEFFERY
S. PRESTON**

1 Plaintiff Securities and Exchange Commission (“SEC”) having filed a
2 Complaint and Defendants Life Wealth Management, Inc. (“Life Wealth”) and
3 Jeffery S. Preston (“Preston”) (together, “Defendants”) having entered a general
4 appearance; consented to the Court’s jurisdiction over Defendants and the subject
5 matter of this action; consented to entry of this Final Judgment without admitting
6 or denying the allegations of the Complaint (except as to jurisdiction); waived
7 findings of fact and conclusions of law; and waived any right to appeal from this
8 Final Judgment:

9 **I.**

10 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
11 defendants Life Wealth and Preston, and their agents, servants, employees,
12 attorneys, and all persons in active concert or participation with any of them who
13 receive actual notice of this Final Judgment by personal service or otherwise are
14 permanently restrained and enjoined from violating, directly or indirectly, Section
15 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §
16 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using
17 any means or instrumentality of interstate commerce, or of the mails, or of any
18 facility of any national securities exchange, in connection with the purchase or sale
19 of any security:

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

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II.

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2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
3 that defendants Life Wealth and Preston, and their agents, servants, employees,
4 attorneys, and all persons in active concert or participation with any of them who
5 receive actual notice of this Final Judgment by personal service or otherwise are
6 permanently restrained and enjoined from, directly or indirectly, violating Sections
7 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”), 15
8 U.S.C. §§ 80b-6(1) & 80b-6(2), by the use of the mails or any means or
9 instrumentalities of interstate commerce:

- 10 (a) to employ any device, scheme, or artifice to defraud any client or
11 prospective client; or
12 (b) to engage in any transaction, practice, or course of business which
13 operates as a fraud or deceit upon any client or prospective client.

III.

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15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
16 that Defendant Preston is liable for disgorgement of \$64,409, representing profits
17 gained as a result of the conduct alleged in the Complaint, together with
18 prejudgment interest thereon in the amount of \$12,191, for a total of \$76,600.
19 Based on Defendant Preston’s sworn representations in his Statement of Financial
20 Condition dated June 1, 2018, and other documents and information submitted to
21 the SEC, however, the Court is not ordering Defendant Preston to pay a civil
22 penalty and payment of the disgorgement and prejudgment interest thereon is
23 waived. The determination not to impose a civil penalty and to waive payment of
24 disgorgement and prejudgment interest is contingent upon the accuracy and
25 completeness of Defendant Preston’s Statement of Financial Condition. If at any
26 time following the entry of this Final Judgment the SEC obtains information
27 indicating that Defendant Preston’s representations to the SEC concerning his
28 assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or

1 incomplete in any material respect as of the time such representations were made,
2 the SEC may, at its sole discretion and without prior notice to Defendant Preston,
3 petition the Court for an order requiring Defendant Preston to pay the unpaid
4 portion of the disgorgement, prejudgment and post-judgment interest thereon, and
5 the maximum civil penalty allowable under the law. In connection with any such
6 petition, the only issue shall be whether the financial information provided by
7 Defendant Preston was fraudulent, misleading, inaccurate, or incomplete in any
8 material respect as of the time such representations were made. In its petition, the
9 SEC may move this Court to consider all available remedies, including, but not
10 limited to, ordering Defendant Preston to pay funds or assets, directing the
11 forfeiture of any assets, or sanctions for contempt of this Final Judgment. The
12 SEC may also request additional discovery. Defendant may not, by way of defense
13 to such petition: (1) challenge the validity of the Consent or this Final Judgment;
14 (2) contest the allegations in the Complaint filed by the SEC; (3) assert that
15 payment of disgorgement, prejudgment and post-judgment interest or a civil
16 penalty should not be ordered; (4) contest the amount of disgorgement and
17 prejudgment and post-judgment interest; (5) contest the imposition of the
18 maximum civil penalty allowable under the law; or (6) assert any defense to
19 liability or remedy, including, but not limited to, any statute of limitations defense.
20 Defendant Preston shall also pay post-judgment interest on any delinquent amounts
21 pursuant to 28 U.S.C. § 1961.

22 **IV.**

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
24 Consent of Defendants Life Wealth Management, Inc. and Jeffery S. Preston to
25 Entry of Final Judgment is incorporated herein with the same force and effect as if
26 fully set forth herein, and that Defendants shall comply with all of the undertakings
27 and agreements set forth therein.

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V.

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

Dated: June 3, 2019

/s/ RONALD S.W. LEW
HONORABLE RONALD S.W. LEW
UNITED STATES DISTRICT JUDGE

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