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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

PATRICK S. CARTER,
808 RENEWABLE ENERGY
CORPORATION,
808 INVESTMENTS, LLC, MARTIN
J. KINCHLOE, PETER KIRKBRIDE,
WEST COAST COMMODITIES,
LLC, THOMAS A. FLOWERS, and
T.A. FLOWERS LLC

Defendants.

Case No. SACV 16-02070 JVS(DFMx)

**FINAL JUDGMENT AS TO THOMAS
A. FLOWERS AND T.A. FLOWERS
LLC**

1 The Securities and Exchange Commission (“SEC”) having filed a Complaint;
2 and Defendants Thomas A. Flowers and T.A. Flowers LLC (collectively,
3 “Defendants”) having entered a general appearance, consented to the Court’s
4 jurisdiction over Defendants and the subject matter of this action, consented to entry
5 of this Final Judgment without admitting or denying the allegations of the Complaint
6 (except as to jurisdiction and except as otherwise provided herein in paragraph IX),
7 waived findings of fact and conclusions of law, and waived any right to appeal from
8 this Final Judgment:

9 **I.**

10 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants
11 are permanently restrained and enjoined from violating, directly or indirectly, Section
12 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
13 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
14 any means or instrumentality of interstate commerce, or of the mails, or of any
15 facility of any national securities exchange, in connection with the purchase or sale of
16 any security:

17 (a) to employ any device, scheme, or artifice to defraud;

18 (b) to make any untrue statement of a material fact or to omit to state
19 a material fact necessary in order to make the statements made, in the light of
20 the circumstances under which they were made, not misleading; or

21 (c) to engage in any act, practice, or course of business which
22 operates or would operate as a fraud or deceit upon any person.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
24 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
25 binds the following who receive actual notice of this Final Judgment by personal
26 service or otherwise: (a) Defendants’ officers, agents, servants, employees, and
27 attorneys; and (b) other persons in active concert or participation with Defendants or
28 with anyone described in (a).

1 **II.**

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

7 (a) to employ any device, scheme, or artifice to defraud;

8 (b) to obtain money or property by means of any untrue statement of a
9 material fact or any omission of a material fact necessary in order to make the
10 statements made, in light of the circumstances under which they were made,
11 not misleading; or

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

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
15 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
16 binds the following who receive actual notice of this Final Judgment by personal
17 service or otherwise: (a) Defendants’ officers, agents, servants, employees, and
18 attorneys; and (b) other persons in active concert or participation with Defendants or
19 with anyone described in (a).

20 **III.**

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
22 Defendants are permanently restrained and enjoined from violating Section 5 of the
23 Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any
24 applicable exemption:

25 (a) Unless a registration statement is in effect as to a security, making use of
26 any means or instruments of transportation or communication in
27 interstate commerce or of the mails to sell such security through the use
28 or medium of any prospectus or otherwise;

- 1 (b) Unless a registration statement is in effect as to a security, carrying or
2 causing to be carried through the mails or in interstate commerce, by any
3 means or instruments of transportation, any such security for the purpose
4 of sale or for delivery after sale; or
- 5 (c) Making use of any means or instruments of transportation or
6 communication in interstate commerce or of the mails to offer to sell or
7 offer to buy through the use or medium of any prospectus or otherwise
8 any security, unless a registration statement has been filed with the SEC
9 as to such security, or while the registration statement is the subject of a
10 refusal order or stop order or (prior to the effective date of the
11 registration statement) any public proceeding or examination under
12 Section 8 of the Securities Act [15 U.S.C. § 77h].

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
14 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
15 binds the following who receive actual notice of this Final Judgment by personal
16 service or otherwise: (a) Defendants' officers, agents, servants, employees, and
17 attorneys; and (b) other persons in active concert or participation with Defendants or
18 with anyone described in (a).

19 **IV.**

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendants are permanently restrained and enjoined from violating Section 15(a) of
22 the Exchange Act [15 U.S.C. § 78o(a)] by, directly or indirectly, in the absence of
23 any applicable exemption, making use of the mails or any means or instrumentality of
24 interstate commerce to effect any transactions in, or to induce or attempt to induce the
25 purchase or sale of, any security (other than an exempted security or commercial
26 paper, bankers' acceptances, or commercial bills) unless they are registered with the
27 SEC in accordance with subsection (b) of Section 15 of the Exchange Act (15 U.S.C.
28 § 78o(b)).

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
2 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
3 binds the following who receive actual notice of this Final Judgment by personal
4 service or otherwise: (a) Defendants’ officers, agents, servants, employees, and
5 attorneys; and (b) other persons in active concert or participation with Defendants or
6 with anyone described in (a).

7 **V.**

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
9 Defendants are permanently restrained and enjoined from soliciting, accepting, or
10 depositing any monies from actual or prospective investors in connection with any
11 offering of securities provided, however, that such injunction shall not prevent
12 Defendants from purchasing or selling securities listed on a national securities
13 exchange for Defendants’ own personal account.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as
15 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also
16 binds the following who receive actual notice of this Final Judgment by personal
17 service or otherwise: (a) Defendants’ officers, agents, servants, employees, and
18 attorneys; and (b) other persons in active concert or participation with Defendants or
19 with anyone described in (a).

20 **VI.**

21 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
22 Defendants are permanently barred from participating in an offering of penny stock,
23 including engaging in activities with a broker, dealer, or issuer for purposes of
24 issuing, trading, or inducing or attempting to induce the purchase or sale of any penny
25 stock. A penny stock is any equity security that has a price of less than five dollars,
26 except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

27 **VII.**

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants

1 are jointly and severally liable for disgorgement of \$1,284,312.51, representing
2 profits gained as a result of the conduct alleged in the Complaint, together with
3 prejudgment interest thereon in the amount of \$120,137. Defendants shall satisfy this
4 obligation by paying \$1,404,449.51 to the Securities and Exchange Commission
5 within 14 days after entry of this Final Judgment.

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

12 Enterprise Services Center
13 Accounts Receivable Branch
14 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

15 and shall be accompanied by a letter identifying the case title, civil action number,
16 and name of this Court; Thomas A. Flowers and T.A. Flowers LLC as defendants in
17 this action; and specifying that payment is made pursuant to this Final Judgment.

18 Defendants shall simultaneously transmit photocopies of evidence of payment
19 and case identifying information to the SEC's counsel in this action. By making this
20 payment, Defendants relinquish all legal and equitable right, title, and interest in such
21 funds and no part of the funds shall be returned to Defendants. The Commission
22 shall send the funds paid pursuant to this Final Judgment to the United States
23 Treasury.

24 The SEC may enforce the Court's judgment for disgorgement and prejudgment
25 interest by moving for civil contempt (and/or through other collection procedures
26 authorized by law) at any time after 14 days following entry of this Final Judgment.
27 Defendants shall pay post judgment interest on any delinquent amounts pursuant to
28 28 U.S.C. § 1961.

VIII.

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2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
3 Thomas A. Flowers shall pay a civil penalty in the amount of \$160,000 to the
4 Securities and Exchange SEC pursuant to Section 20(d) of the Securities Act [15
5 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].
6 Defendant shall make this payment within 14 days after entry of this Final Judgment.

7 Defendant Thomas A. Flowers may transmit payment electronically to the
8 SEC, which will provide detailed ACH transfer/Fedwire instructions upon request.
9 Payment may also be made directly from a bank account via Pay.gov through the
10 SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant Thomas A.
11 Flowers may also pay by certified check, bank cashier's check, or United States
12 postal money order payable to the Securities and Exchange Commission, which shall
13 be delivered or mailed to

14 Enterprise Services Center
15 Accounts Receivable Branch
16 6500 South MacArthur Boulevard
Oklahoma City, OK 73169

17 and shall be accompanied by a letter identifying the case title, civil action number,
18 and name of this Court; Thomas A. Flowers as a defendant in this action; and
19 specifying that payment is made pursuant to this Final Judgment.

20 Defendant Thomas A. Flowers shall simultaneously transmit photocopies of
21 evidence of payment and case identifying information to the SEC's counsel in this
22 action. By making this payment, Defendant Thomas A. Flowers relinquishes all legal
23 and equitable right, title, and interest in such funds and no part of the funds shall be
24 returned to Defendant Thomas A. Flowers. The SEC shall send the funds paid
25 pursuant to this Final Judgment to the United States Treasury. Defendant Thomas A.
26 Flowers shall pay post-judgment interest on any delinquent amounts pursuant to
27 28 USC § 1961.

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IX.

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

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent to Entry of Final Judgment by Thomas A. Flowers and the Consent to Entry of Final Judgment by T.A. Flowers LLC are incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

XI.

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.

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XII.

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 Final Judgment forthwith and without further notice.

Dated: November 21, 2016


UNITED STATES DISTRICT JUDGE

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