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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

CARL JENSEN and STEPHEN W.
GOLD,

Defendants,

KERRY MARGOLIS AND
MICHAEL HOCK,

Relief Defendants.

Case No. 2:21-cv-06817-CAS-GJSx

**ORDER GRANTING PLAINTIFF
SECURITIES AND EXCHANGE
COMMISSION'S MOTION FOR
DEFAULT JUDGMENT AGAINST
DEFENDANTS CARL JENSEN,
STEPHEN W. GOLD; AND RELIEF
DEFENDANT KERRY MARGOLIS**

Hearing Date: May 23, 2022

Time: 10:00 a.m.

Ctrm: 8D

Judge: Hon. Christina A. Snyder

1 This matter came before the Court on the Securities and Exchange
2 Commission’s (“SEC”) Motion for Default Judgment against defendants Carl D.
3 Jensen (“Jensen”) and Stephen W. Gold (“Gold”) and relief defendant Kerry
4 Margolis (“Margolis”) (collectively, the “Defaulting Parties”). The Court having
5 considered the SEC’s Complaint, the Motion, the supporting Memorandum of Points
6 and Authorities, the supporting declaration and exhibits, and the other evidence and
7 argument presented to the Court, finds that:

8 **I.**

9 IT IS HEREBY ORDERED that the SEC’s Motion for Default Judgment
10 against defendants Jensen and Gold and relief defendant Margolis is GRANTED.

11 **II.**

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

- 19 (a) to employ any device, scheme, or artifice to defraud; or
20 (b) to engage in any transaction, practice, or course of business which
21 operates or would operate as a fraud or deceit upon the purchaser.

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

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III.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendants Carl D. Jensen and Stephen W. Gold are 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 make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

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 Final Judgment by personal service or otherwise: (a) Carl D. Jensen and/or Stephen W. Gold’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Carl D. Jensen and/or Stephen W. Gold or with anyone described in (a).

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that (1) defendant Jensen is liable for disgorgement with prejudgment interest of the following amounts: (a) \$125,400 that he directly received with prejudgment interest of \$2,301.32; (b) \$362,897, jointly and severally with Gold for the amount Gold personally retained from the amounts he received from investors, with prejudgment interest of \$6,659.84; and (c) \$4,080,596, jointly and severally with Margolis for the amount Margolis retained from investors, with prejudgment interest of \$74,886.58,

1 for a total of \$4,568,893 in disgorgement, plus prejudgment interest of \$83,846.74;
2 (2) defendant Gold is liable for disgorgement of \$362,897 with prejudgment interest
3 of \$6,659.84 jointly and severally with Jensen; and (3) relief defendant Margolis is
4 liable for disgorgement of \$4,080,596 with prejudgment interest of \$74,886.58,
5 jointly and severally with Jensen, all of which represents net profits gained as a result
6 of the conduct alleged in the Complaint, which the Court finds is for the benefit of
7 investors.

8 Defendant Jensen shall pay a civil penalty in the amount of \$4,568,983,
9 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section
10 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant Gold shall pay a
11 civil penalty in the amount of \$362,897, pursuant to Section 20(d) of the Securities
12 Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
13 78u(d)(3).

14 Defendants Jensen and Gold, and relief defendant Margolis shall satisfy this
15 obligation by paying the aforementioned sums to the SEC within 14 days after entry
16 of this Judgment. Defendants Jensen and Gold, and relief defendant Margolis may
17 transmit payment electronically to the SEC, which will provide detailed ACH
18 transfer/Fedwire instructions upon request. Payment may also be made directly from
19 a bank account via Pay.gov through the SEC website at
20 <http://www.sec.gov/about/offices/ofm.htm>. Defendants Jensen and Gold, and relief
21 defendant Margolis may also pay by certified check, bank cashier's check, or United
22 States postal money order payable to the Securities and Exchange Commission,
23 which shall be delivered or mailed to:

24 Enterprise Service Center
25 Accounts Receivable Branch
26 6500 South MacArthur Boulevard
27 Oklahoma City, OK 73169

28 and shall be accompanied by a letter identifying the case title, civil action number,
and name of this Court; Jensen as Gold as defendants and Margolis as relief

1 defendant in this action; and specifying that payment is made pursuant to this
2 Judgment.

3 Jensen and Gold, and relief defendant Margolis shall simultaneously transmit
4 photocopies of evidence of payment and case identifying information to the SEC’s
5 counsel in this action. By making this payment, Jensen and Gold, and relief
6 defendant Margolis relinquish all legal and equitable right, title, and interest in such
7 funds and no part of the funds shall be returned to defendants or relief defendants.

8 The SEC shall hold the funds (collectively, the “Fund”) and may propose a
9 plan to distribute the Fund subject to the Court’s approval. The Court shall retain
10 jurisdiction over the administration of any distribution of the Fund. If the SEC staff
11 determines that the Fund will not be distributed, the SEC shall send the funds paid
12 pursuant to this Final Judgment to the United States Treasury.

13 The SEC may enforce the Court’s judgment for disgorgement and prejudgment
14 interest by moving for civil contempt (and/or through other collection procedures
15 authorized by law) at any time after 14 days following entry of this Judgment.
16 Defendants Jensen and Gold, and relief defendant Margolis shall pay post judgment
17 interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

18 V.

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

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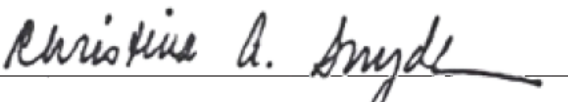
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VI.

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.

IT IS SO ORDERED.

Dated: May 23, 2022


HONORABLE CHRISTINA A. SNYDER
UNITED STATES DISTRICT JUDGE

Presented by:

/s/Kathryn C. Wanner

Kathryn C. Wanner
Attorney for Plaintiff
Securities and Exchange Commission