

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
Southern Division

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

GUY SCOTT GRIFFITHE, et al.

Defendants, and

SONJA MARIE RUSSELL,

Relief Defendant.

Case No. 8:20-cv-00124-DOC-(JDEx)

**JUDGMENT AS TO DEFENDANT  
GUY SCOTT GRIFFITHE**

1 The Securities and Exchange Commission having filed a Complaint and Guy  
2 Scott Griffithe (“Defendant”) having entered a general appearance; consented to the  
3 Court’s jurisdiction over Defendant and the subject matter of this action; consented to  
4 entry of this Judgment without admitting or denying the allegations of the Complaint  
5 (except as to jurisdiction and except as otherwise provided herein in paragraph VI);  
6 waived findings of fact and conclusions of law; and waived any right to appeal from  
7 this Judgment:

8 **I.**

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

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

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

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

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

13 **II.**

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

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

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

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

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
28 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also

1 binds the following who receive actual notice of this Final Judgment by personal  
2 service or otherwise: (a) Defendant's officers, agents, servants, employees, and  
3 attorneys; and (b) other persons in active concert or participation with Defendant or  
4 with anyone described in (a).

5 **III.**

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
7 Defendant is permanently restrained and enjoined from violating Section 5 of the  
8 Securities Act [[15 U.S.C. § 77e](#)] by, directly or indirectly, in the absence of any  
9 applicable exemption:

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

14 (b) Unless a registration statement is in effect as to a  
15 security, carrying or causing to be carried through the mails or in  
16 interstate commerce, by any means or instruments of transportation, any  
17 such security for the purpose of sale or for delivery after sale; or

18 (c) Making use of any means or instruments of  
19 transportation or communication in interstate commerce or of the mails  
20 to offer to sell or offer to buy through the use or medium of any  
21 prospectus or otherwise any security, unless a registration statement has  
22 been filed with the Commission as to such security, or while the  
23 registration statement is the subject of a refusal order or stop order or  
24 (prior to the effective date of the registration statement) any public  
25 proceeding or examination under Section 8 of the Securities Act [[15](#)  
26 [U.S.C. § 77h](#)].

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
28 provided in [Federal Rule of Civil Procedure 65\(d\)\(2\)](#), the foregoing paragraph also

1 binds the following who receive actual notice of this Final Judgment by personal  
2 service or otherwise: (a) Defendant's officers, agents, servants, employees, and  
3 attorneys; and (b) other persons in active concert or participation with Defendant or  
4 with anyone described in (a).

5 **IV.**

6 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that  
7 Defendant is permanently restrained and enjoined from directly or indirectly,  
8 including, but not limited to, through any entity owned or controlled by Defendant,  
9 participating in the issuance, purchase, offer, or sale of any security in an unregistered  
10 offering by an issuer, provided, however, that such Order shall not prevent him from  
11 purchasing or selling securities for his own personal account; and

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

18 **V.**

19 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that,  
20 pursuant to Securities Act Section 20(e) [[15 U.S.C. §77t\(e\)](#)] and Exchange Act  
21 Section 21(d)(2) [[15 U.S.C. §78u\(d\)\(2\)](#)], Defendant is prohibited from acting as an  
22 officer or director of any issuer that has a class of securities registered pursuant to  
23 Exchange Act Section 12 [[15 U.S.C. §78l](#)] or that is required to file reports pursuant  
24 to Exchange Act Section 13 [[15 U.S.C. §78m](#)].

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
26 provided in [Federal Rule of Civil Procedure 65\(d\)\(2\)](#), the foregoing paragraph also  
27 binds the following who receive actual notice of this Final Judgment by personal  
28 service or otherwise: (a) Defendant's officers, agents, servants, employees, and

1 attorneys; and (b) other persons in active concert or participation with Defendant or  
2 with anyone described in (a).

3 **VI.**

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
5 Defendant shall pay disgorgement of ill-gotten gains and prejudgment interest  
6 thereon; that the amounts of the disgorgement and civil penalty shall be determined  
7 by the Court upon motion of the Commission; and that prejudgment interest shall be  
8 calculated from December 27, 2017 based on the rate of interest used by the Internal  
9 Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C.  
10 § 6621(a)(2). Upon motion of the Commission, the Court shall determine whether a  
11 civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and  
12 Section 21(d)(3) of the Exchange Act is appropriate and, if so, the amount of the  
13 penalty. In connection with the Commission's motion for disgorgement and/or civil  
14 penalties, and at any hearing held on such a motion: (a) Defendant will be precluded  
15 from arguing that [he, she, it] did not violate the federal securities laws as alleged in  
16 the Complaint; (b) Defendant may not challenge the validity of the Consent or this  
17 Final Judgment; (c) solely for the purposes of such motion, the allegations of the  
18 Complaint shall be accepted as and deemed true by the Court; and (d) the Court may  
19 determine the issues raised in the motion on the basis of affidavits, declarations,  
20 excerpts of sworn deposition or investigative testimony, and documentary evidence,  
21 without regard to the standards for summary judgment contained in Rule 56(c) of the  
22 Federal Rules of Civil Procedure. In connection with the Commission's motion for  
23 disgorgement and/or civil penalties, the parties may take discovery, including  
24 discovery from appropriate non-parties.

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26  
27 **VII.**  
28

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
2 Consent is incorporated herein with the same force and effect as if fully set forth  
3 herein, and that Defendant shall comply with all of the undertakings and agreements  
4 set forth therein.

5 **VIII.**

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that,  
7 solely for purposes of exceptions to discharge set forth in Section 523 of the  
8 Bankruptcy Code [[11 U.S.C. §523](#)], the allegations in the complaint are true and  
9 admitted by Defendant, and further, any debt for disgorgement, prejudgment interest,  
10 civil penalty or other amounts due by Defendant under this Judgment or any other  
11 judgment, order, consent order, decree or settlement agreement entered in connection  
12 with this proceeding, is a debt for the violation by Defendant of the federal securities  
13 laws or any regulation or order issued under such laws, as set forth in Section  
14 523(a)(19) of the Bankruptcy Code [[11 U.S.C. §523\(a\)\(19\)](#)].

15 **IX.**

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

19  
20 IT IS SO ORDERED.

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22  
23 Date: March 15, 2021

*David O. Carter*

24 \_\_\_\_\_  
DAVID O. CARTER

25 United States District Judge

26  
27  
28 Dated: \_\_\_\_\_, 2021