

THE HONORABLE RICARDO S. MARTINEZ

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UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
SEATTLE DIVISION

SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,  
vs.  
KIRK SPERRY, and  
SPERRY AND SONS CAPITAL INVESTMENTS,  
LLC,  
Defendants.

Civil Action No. 2:20-cv-01337-RSM

**JUDGMENT AS TO DEFENDANT  
KIRK SPERRY**

The Securities and Exchange Commission having filed a Complaint and Defendant Kirk Sperry (“Defendant”) 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 Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph V); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is

1 permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the  
2 Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5  
3 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of  
4 interstate commerce, or of the mails, or of any facility of any national securities exchange, in  
5 connection with the purchase or sale of any security:

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

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

17 II.

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

- 23 (a) to employ any device, scheme, or artifice to defraud;
- 24 (b) to obtain money or property by means of any untrue statement of a material  
25 fact or any omission of a material fact necessary in order to make the  
26 statements made, in light of the circumstances under which they were made,  
27 not misleading; or
- 28 (c) to engage in any transaction, practice, or course of business which operates or

1 would operate as a fraud or deceit upon the purchaser.

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

7 III.

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
9 Defendant shall pay a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C.  
10 § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Court shall  
11 determine the amount of the civil penalty upon motion of the Commission. In connection  
12 with the Commission's motion for civil penalties, and at any hearing held on such a motion:  
13 (a) Defendant will be precluded from arguing that he did not violate the federal securities laws  
14 as alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or  
15 this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint  
16 shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues  
17 raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or  
18 investigative testimony, and documentary evidence, without regard to the standards for  
19 summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In  
20 connection with the Commission's motion for civil penalties, the parties may take discovery,  
21 including discovery from appropriate non-parties.

22 IV.

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

26 V.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for  
28 purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11

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

7 VI.

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

10 VII.

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

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15 Dated: May 5, 2021

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18 RICARDO S. MARTINEZ  
19 CHIEF UNITED STATES DISTRICT JUDGE  
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