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

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**SECURITIES AND EXCHANGE
COMMISSION,**

Case No.:
8:19-cv-02108-DOC-ADS

Plaintiff,

vs.

**DALE SCOTT PEARLMAN, an
individual,**

Defendants.

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**FINAL JUDGMENT AS TO DEFENDANT
DALE SCOTT PEARLMAN**

15 The Securities and Exchange Commission having filed a Complaint and
16 Defendant Dale Scott Pearlman having entered a general appearance; consented to
17 the Court’s jurisdiction over Defendant and the subject matter of this action;
18 consented to entry of this Final Judgment without admitting or denying the
19 allegations of the Complaint (except as to jurisdiction and except as otherwise
20 provided herein in paragraph VI); waived findings of fact and conclusions of law;
21 and waived any right to appeal from this Final Judgment:

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I.

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
25 is permanently restrained and enjoined from violating, directly or indirectly, Section
26 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. §
27 78j(b)] and Rule 10b–5 promulgated thereunder [17 C.F.R. § 240.10b–5], by using
28 any means or instrumentality of interstate commerce, or of the mails, or of any

1 facility of any national securities exchange, in connection with the purchase or sale
2 of any security:

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

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

15 **II.**

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

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

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 Judgment by personal service
4 or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys;
5 and (b) other persons in active concert or participation with Defendant or with
6 anyone described in (a).

7 **III.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
9 is permanently restrained and enjoined from violating, directly or indirectly, Section
10 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)] by using any means or
11 instrumentality of interstate commerce, or of the mails, or of any facility of any
12 national securities exchange, to effect transactions in, or induce or attempt to induce
13 the purchase or sale of, securities while not registered with the Commission as a
14 broker or dealer or while not associated with an entity registered with the
15 Commission as a broker or dealer.

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

22 **IV.**

23 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
24 is permanently restrained and enjoined from violating Section 5 of the Securities
25 Act of 1933 (“Securities Act”) [15 U.S.C. § 77e] by, directly or indirectly, in the
26 absence of any applicable exemption:

- 27 (a) unless a registration statement is in effect as to a security,

1 making use of any means or instruments of transportation or
2 communication in interstate commerce or of the mails to sell
3 such security through the use or medium of any prospectus or
4 otherwise;

5 (b) unless a registration statement is in effect as to a security,
6 carrying or causing to be carried through the mails or in
7 interstate commerce, by any means or instruments of
8 transportation, any such security for the purpose of sale or for
9 delivery after sale, or;

10 (c) making use of any means or instruments of transportation or
11 communication in interstate commerce or of the mails to offer
12 to sell or offer to buy through the use or medium of any
13 prospectus or otherwise any security, unless a registration
14 statement has been filed with the Commission as to such
15 security, or while the registration statement is the subject of a
16 refusal order or stop order or (prior to the effective date of the
17 registration statement) any public proceeding or examination
18 under Section 8 of the Securities Act [15 U.S.C. § 77h].

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

25 **V.**

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
27 Defendant is liable for disgorgement of \$115,000.00, representing profits gained
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1 as a result of the conduct alleged in the Complaint, together with prejudgment
2 interest thereon in the amount of \$13,392.99 and a civil penalty in the amount of
3 \$50,000.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
4 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall
5 satisfy this obligation by paying the amounts set forth above to the Securities and
6 Exchange Commission within 30 days after entry of this Final Judgment.

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

13 Enterprise Services Center
14 Accounts Receivable Branch
15 6500 South MacArthur Boulevard
16 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; Dale Scott Pearlman as a defendant in this action; and
19 specifying that payment is made pursuant to this Final Judgment.

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

26 The Commission may enforce the Court's judgment for disgorgement and
27 prejudgment interest by moving for civil contempt (and/or through other collection
28 procedures authorized by law) at any time after 30 days following entry of this

1 Final Judgment. Defendant shall pay post judgment interest on any delinquent
2 amounts pursuant to 28 U.S.C. § 1961.

3 **VI.**

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

13 **VII.**

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

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20 Dated: November 12, 2019

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23 *David O. Carter*
24 _____
25 DAVID O. CARTER
26 U.S. DISTRICT JUDGE
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