

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO.: 9:24-cv-80919-MIDDLEBROOKS

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CHARLES BAUGH,

Defendant.

FINAL JUDGMENT AS TO DEFENDANT CHARLES BAUGH

THIS CAUSE comes before the Court upon the Plaintiff Securities and Exchange Commission's ("SEC") Unopposed Motion for Entry of Final Judgment as to Defendant Charles Baugh, filed July 30, 2024. (DE 3). The SEC, having filed a Complaint, and Defendant Charles Baugh ("Baugh") having entered a general appearance, consent to entry of this Final Judgment. Baugh consents to this judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise set forth in Section IV below), has waived service of the summons and the Complaint, has waived findings of fact and conclusions of law, and has waived any right to appeal from this Final Judgment:

Accordingly, it is **ORDERED AND ADJUDGED** that:

I.

PERMANENT INJUNCTIVE RELIEF

Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 (“Exchange Act”)

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

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

by: (i) buying or selling a security of any issuer, on the basis of material nonpublic information, in breach of a fiduciary duty or other duty of trust or confidence that is owed directly, indirectly, or derivatively, to the issuer of that security or the shareholders of that issuer, or to any other person who is the source of the information; or (ii) by communicating material nonpublic information about a security or issuer, in breach of a fiduciary duty or other duty of trust or confidence, to another person or persons for purposes of buying or selling any security.

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) Baugh's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Baugh or with anyone described in (a).

II.

DISGORGEMENT, PREJUDGMENT INTEREST AND CIVIL PENALTY

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Baugh is liable for disgorgement of \$ 320,908, representing net profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$ 50,405. The Court finds that sending the disgorged funds to the United States Treasury, as ordered below, is consistent with equitable principles. The Court further imposes a civil penalty in the amount of \$ 473,660 pursuant to Section 21A of the Exchange Act [15 U.S.C. §§ 78u(d)(3) and 78u-1].

Baugh shall satisfy his obligation to pay disgorgement with prejudgment interest and a civil penalty by paying \$168,997 that he has escrowed with his counsel within fourteen days of entry of the Final Judgment. Baugh shall also make four equal payments of \$168,994 each due 3 months from entry of the Final Judgment, 6 months from entry of the Final Judgment, 9 months from entry of the Final Judgment, and 1 year from entry of the Final Judgment.

If Baugh fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including post-judgment interest, minus any payments made, shall become due and payable immediately. The Commission may at that point enforce the Final Judgment by moving for civil contempt (and/or through other collection procedures authorized by law) at any time. Baugh shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

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

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

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

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

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by using all collection procedures authorized by law, including, but not limited to, moving for civil contempt at any time after 30 days following entry of this Final Judgment. The Commission may enforce the Court's judgment for a civil penalty by the use of all collection procedures authorized by law, including the Federal Debt Collection Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the violation of any Court orders issued in this

action. Defendant shall pay post judgment interest on any amounts due after 30 days of the entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

III.

INCORPORATION OF CONSENT

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

IV.

BANKRUPTCY NONDISCHARGEABILITY

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 Baugh, and further, any debt for a civil penalty or other amounts due by Baugh 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 Baugh 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)].

V.

RULE 54(b) CERTIFICATION

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.

SIGNED in Chambers, in West Palm Beach, Florida, this 2nd day of August, 2024.



DONALD M. MIDDLEBROOKS
UNITED STATES DISTRICT JUDGE

Cc: attorneys of record