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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

v.

**JASON SUGARMAN,**

**Defendant.**  
----- X

**19 Civ. 5998 (GHW)(OTW)**

**ECF Case**

**FINAL JUDGMENT AS TO DEFENDANT JASON SUGARMAN**

The Securities and Exchange Commission having filed an Amended Complaint and Jury Demand (“Amended Complaint”) and Defendant Jason Sugarman having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Amended Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VIII); 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 permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rules 10b-5(a) and (c) promulgated thereunder [17 C.F.R. §§ 240.10b-5(a) and (c)], 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; or

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

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

## II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Sections 17(a)(1) and (3) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77q(a)(1) and (3)] 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; or
- (b) 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 Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], for a period of three years from the entry of this Final Judgment, Defendant is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$7,157,232.19 as a result of the conduct alleged in the Amended Complaint, together with prejudgment interest thereon in the amount of \$1,317,703.82, and a civil penalty in the amount of \$1,789,308.05 pursuant to Section 20(d)(2) of the Securities Act [15 U.S.C. § 78t(d)(2)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], for a total of \$10,264,244.06. Defendant shall satisfy this obligation by paying \$7,698,183.04 to the Securities and Exchange Commission pursuant to the terms of the payment schedule set forth in paragraph VI below after entry of this Final Judgment, and the civil penalty and remaining portion of his prejudgment interest obligation of \$2,566,061.02 (the “Remaining Amount”) by making the payments detailed in paragraph V below.

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; Jason Sugarman 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 hold the funds (collectively, the "Fund") until further order of this Court. The SEC may propose a plan to distribute the Fund subject to the Court's approval, and the Court shall retain jurisdiction over the administration of any distribution of the Fund.

The Commission may enforce the Court's judgment for disgorgement and, subject to paragraphs V and VI below, 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. Subject to paragraphs V and VI below, Defendant shall pay post judgment interest on any amounts (excluding the Remaining Amount) due after 30 days of entry of this Final Judgment pursuant to 28 U.S.C. § 1961.

The Commission may enforce the Court's judgment for penalties, subject to paragraphs V and VI below, 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. Subject to paragraphs V and VI below,

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

V.

Defendant's obligation to pay the Remaining Amount of \$2,566,061.02 in prejudgment interest and civil penalty shall be offset by the U.S. Dollar value of any cash payments made by Defendant to the Joint Liquidators, appointed by the Bermuda Supreme Court on or before December 18, 2020 as Joint Provisional Liquidators and on July 26, 2021 as permanent Joint Liquidators to oversee the liquidation of VL Assurance (Bermuda) Ltd. ("VL Assurance"), Valor Group Ltd. and Valor Management Ltd. for distribution to creditors pursuant to the Bermuda Companies Act of 1981 and Section 17(7) of the Segregated Account Companies Act of 2000 (the "Bermuda Liquidation") (or any other bankruptcy trustee, liquidator, or receiver appointed in the Bermuda Liquidation). Within 10 days of any cash payments made by Defendant to the Joint Liquidators, Defendant shall transmit photocopies of evidence of payment and case-identifying information in a form acceptable to Commission staff.

If the Remaining Amount of \$2,566,061.02 in prejudgment interest and civil penalty is not offset in full by Defendant's payments to the Joint Liquidators (or any other bankruptcy trustee, liquidator, or receiver described above) within thirty (30) months of the entry of this Final Judgment (plus any extensions of this period as set forth below), Defendant shall remit to the Commission the outstanding balance of the Remaining Amount of his prejudgment interest and civil penalty obligations, plus post judgment interest on the Remaining Amount pursuant to 28 U.S.C. § 1961, calculated as accruing from 30 days after entry of this Final Judgment. Failure to remit the cash payment due shall not void this Final Judgment, but the Commission retains its right to pursue any outstanding amount of Defendant's prejudgment interest and civil penalty obligations by use of all collection procedures authorized by law, including the Federal Debt

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