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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

RARI CAPITAL, INC., JAI BHAVNANI,
JACK LIPSTONE, and DAVID LUCID,

Defendants.

Case No.2:24-cv-7967

**FINAL JUDGMENT AS TO
DEFENDANT RARI CAPITAL,
INC.**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Rari Capital, Inc. (“Defendant”) having entered a general appearance;
3 consented to the Court’s jurisdiction over Defendant and the subject matter of this
4 action; consented to entry of this Final Judgment without admitting or denying the
5 allegations of the Complaint (except as to jurisdiction); waived findings of fact and
6 conclusions of law; and waived any right to appeal from this Final Judgment:

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
9 is permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the
10 Securities Act of 1933 (“Securities Act”) [[15 U.S.C. §§ 77e\(a\) and 77e\(c\)](#)] by,
11 directly or indirectly, in the absence of any applicable exemption:

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

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

3 **II.**

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
5 that Defendant is permanently restrained and enjoined from violating Sections
6 17(a)(2) and 17(a)(3) of the Securities Act [[15 U.S.C. §§ 77q\(a\)\(2\) and 77q\(a\)\(3\)](#)] in
7 the offer or sale of any security by the use of any means or instruments of
8 transportation or communication in interstate commerce or by use of the mails,
9 directly or indirectly:

- 10 (a) to obtain money or property by means of any untrue statement of a
11 material fact or any omission of a material fact necessary in order to
12 make the statements made, in light of the circumstances under which
13 they were made, not misleading; or
14 (b) to engage in any transaction, practice, or course of business which
15 operates or would operate as a fraud or deceit upon the purchaser.

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

22 **III.**

23 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
24 that Defendant is permanently restrained and enjoined from violating Section 15(a)
25 of the Securities Exchange Act of 1934 ("Exchange Act") [[15 U.S.C. § 78o\(a\)](#)], by
26 making use of the mails or any means or instrumentality of interstate commerce to
27 effect any transactions in, or to induce or attempt to induce the purchase or sale of,
28 any security (other than an exempted security or commercial paper, bankers'

1 acceptances, or commercial bills) unless it is registered with the Commission as a
2 broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §
3 78o(b)], or associated with a broker or dealer registered with the Commission in
4 accordance with Section 15(b) of the Exchange Act.

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

11 **IV.**

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant
13 to Section 20(b) of the Securities Act [15 U.S.C. § 77t(b)] and Sections 21(d)(1) and
14 21(d)(5) of the Exchange Act [15 U.S.C. §§ 78u(d)(1), (d)(5)], Defendant is
15 permanently restrained and enjoined from, directly or indirectly, including, but not
16 limited to, through any entity owned or controlled by Defendant, participating in the
17 issuance, purchase, offer, or sale of any securities.

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

24 **V.**

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

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VI.

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

VII.

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.

DATED: September 19, 2024



Percy Anderson
UNITED STATES DISTRICT JUDGE