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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MATTHEW J. WERTHE dba HSR
WEALTH MANAGEMENT,

Defendant.

Case No.: 23cv0815-L-DDL

FINAL JUDGMENT

The Securities and Exchange Commission (“SEC”) having filed a Complaint, Motion for Summary Judgment, and Motion for Monetary and Injunctive Relief; Defendant Matthew J. Werthe (“Defendant”) having made a general appearance, answered the Complaint, and opposed the Motions; the Court having ruled in favor of the SEC on its Motion for Summary Judgment in its entirety and its Motion for Monetary and Injunctive Relief in its entirety; and the Court having jurisdiction over Defendant and the subject matter of this action:

I.

IT IS 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

1 Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5], by using any means or
2 instrumentality of interstate commerce, or of the mails, or of any facility of any national
3 securities exchange, in connection with the purchase or sale of any security:

4 (a) to employ any device, scheme, or artifice to defraud;

5 (b) to make any untrue statement of a material fact, or to omit to state a
6 material fact necessary in order to make the statements made, in the
7 light of the circumstances under which they were made, not
8 misleading; or

9 (c) to engage in any act, practice, or course of business which operates or
10 would operate as a fraud or deceit upon any person

11 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any
12 person, or (ii) disseminating false or misleading documents, materials, or information or
13 making, either orally or in writing, any false or misleading statement in any
14 communication with any investor or prospective investor, about:

15 (A) any investment strategy or investment in securities,

16 (B) the prospects for success of any product or company,

17 (C) the use of investor funds,

18 (D) compensation to any person,

19 (E) Defendant's qualifications to advise investors; or

20 (F) the misappropriation of investor funds or investment proceeds.

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

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II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] 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;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:
 - (A) any investment strategy or investment in securities,
 - (B) the prospects for success of any product or company,
 - (C) the use of investor funds,
 - (D) compensation to any person,
 - (E) Defendant’s qualifications to advise investors; or
 - (F) the misappropriation of investor funds or investment proceeds.

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) Defendant’s officers, agents, servants, employees, and attorneys; and (b)

1 other persons in active concert or participation with Defendant or with anyone described
2 in (a).

3 III.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
5 permanently restrained and enjoined from violating, while acting as an investment
6 adviser, Sections 206(1) and (2) of the Investment Advisers Act of 1940 (the “Investment
7 Advisers Act”) [15 U.S.C. § 80b-6(1) and (2)] by using the mails or any means or
8 instrumentality of interstate commerce, directly or indirectly:

- 9 (a) to employ any device, scheme, or artifice to defraud any client or
10 prospective client; or
11 (b) to engage in any transaction, practice, or course of business which
12 operates as a fraud or deceit upon any client or prospective client
13 by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any client
14 or prospective client, or (ii) disseminating false or misleading documents, materials, or
15 information or making, either orally or in writing, any false or misleading statement in
16 any communication with any client or prospective client, about:

- 17 (A) any investment strategy or investment in securities,
18 (B) the prospects for success of any product or company,
19 (C) the use of client funds,
20 (D) compensation to any person,
21 (E) Defendant’s qualifications to advise clients; or
22 (F) the misappropriation of client funds or investment proceeds.

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

1 IV.

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to
3 Section 21(d)(1) and (d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)], Section
4 20(b) of the Securities Act [15 U.S.C. §§ 77t(b)], and Section 209(d) of the Advisers
5 Act [15 U.S.C. §§ 80b-9(d)], Defendant is permanently restrained and enjoined from
6 participating, directly or indirectly, in the purchase, offer, or sale of any security other
7 than for his own personal account.

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

14 V.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is
16 liable for disgorgement of \$507,996.42, representing net profits gained as a result of the
17 conduct alleged in the Complaint, as well as \$112,340.03 in prejudgment interest, for a
18 total of \$620,336.45. In addition, Defendant is liable for a civil penalty in the amount of
19 \$507,996.42 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section
20 209(e) of the Advisers Act [15 U.S.C. (d)(e) § 80b-9(e)], and Section 21(d)(3) of the
21 Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy these obligations by
22 paying the total amount for which he is liable to the Securities and Exchange
23 Commission (“Commission”) within thirty (30) days after entry of this Final Judgment.

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

3 Enterprise Services Center
4 Accounts Receivable Branch
5 6500 South MacArthur Boulevard
6 Oklahoma City, OK 73169

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

10 Defendant shall simultaneously transmit photocopies of evidence of payment and
11 case identifying information to the Commission's counsel in this action. By making this
12 payment, Defendant relinquishes all legal and equitable right, title, and interest in such
13 funds and no part of the funds shall be returned to Defendant.

14 The Commission may enforce the Court's judgment for disgorgement and
15 prejudgment interest by using all collection procedures authorized by law, including, but
16 not limited to, moving for civil contempt at any time after thirty (30) days following entry
17 of this Final Judgment.

18 The Commission may enforce the Court's judgment for penalties by the use of all
19 collection procedures authorized by law, including the Federal Debt Collection
20 Procedures Act, 28 U.S.C. § 3001 et seq., and moving for civil contempt for the violation
21 of any Court orders issued in this action. Defendant shall pay post-judgment interest on
22 any amounts due after thirty (30) days of the entry of this Final Judgment pursuant to 28
23 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and
24 income earned thereon (collectively, the "Fund"), pending further order of the Court.

25 The Commission may propose a plan to distribute the Fund subject to the Court's
26 approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair
27 Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall
28 retain jurisdiction over the administration of any distribution of the Fund, and the Fund

1 may only be disbursed pursuant to an Order of the Court. Regardless of whether any
2 such Fair Fund distribution is made, amounts ordered to be paid as civil penalties
3 pursuant to this Final Judgment shall be treated as penalties paid to the government for all
4 purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty,
5 Defendant shall not, after offset or reduction of any award of compensatory damages in
6 any Related Investor Action based on Defendant’s payment of disgorgement in this
7 action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of
8 such compensatory damages award by the amount of any part of Defendant’s payment of
9 a civil penalty in this action (“Penalty Offset”). If the court in any Related Investor
10 Action grants such a Penalty Offset, Defendant shall, within thirty (30) days after entry of
11 a final order granting the Penalty Offset, notify the Commission’s counsel in this action
12 and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund,
13 as the Commission directs. Such a payment shall not be deemed an additional civil
14 penalty and shall not be deemed to change the amount of the civil penalty imposed in this
15 Final Judgment. For purposes of this paragraph, a “Related Investor Action” means a
16 private damages action brought against Defendant by or on behalf of one or more
17 investors based on substantially the same facts as alleged in the Complaint in this action.

18 VI.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that no later than
20 thirty (30) days following entry of this Final Judgment, the Clerk of Court is shall transfer
21 to the Commission—which will provide detailed ACH transfer/Fedwire instructions upon
22 request—the entire balance of funds attributable to this case (as well as any future
23 deposits) paid into either the registry of this Court or the Court Registry Investment
24 System. Payment may also be made by certified check, bank cashier’s check, or United
25 States postal money order payable to the Securities and Exchange Commission, which
26 shall be delivered or mailed to:

27 Enterprise Services Center
28 Accounts Receivable Branch

1 6500 South MacArthur Boulevard
2 Oklahoma City, OK 73169

3 and shall be accompanied by a letter identifying the case title, civil action number, and
4 name of this Court; and specifying that payment is made pursuant to this Final Judgment.
5 The Commission shall credit these funds toward the disgorgement and prejudgment
6 interest ordered to be paid herein and hold these monies as part of the Fund described
7 above.

8 VII.

9 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, for purposes
10 of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C.
11 §523, the allegations in the Complaint are true and admitted by Defendant, and further,
12 any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by
13 Defendant under this Final Judgment or any other judgment, order, consent order, decree
14 or settlement agreement entered in connection with this proceeding, is a debt for the
15 violation by Defendant of the federal securities laws or any regulation or order issued
16 under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C.
17 §523(a)(19).

18 IX.

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

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23 Dated: February 2, 2026

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25 Hon. M. James Lorenz
26 United States District Judge
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