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Securities and Exchange Commission

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9
10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 **SECURITIES AND EXCHANGE**
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **JUSTIN ROBERT KING; AND**
17 **ELEVATE INVESTMENTS LLC,**

18 **Defendants,**

19 **SHANNON LEIGH KING,**

20 **Relief Defendant.**
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Case No. SACV 20-02398 JVS (DFMx)

CONSENT OF DEFENDANT
ELEVATE INVESTMENTS LLC

1 1. Defendant Elevate Investments LLC (“Defendant”) acknowledges
2 having been served with the complaint in this action, enters a general appearance, and
3 admits the Court’s jurisdiction over Defendant and over the subject matter of this
4 action.

5 2. Without admitting or denying the allegations of the complaint (except as
6 provided herein in paragraph 10 and except as to personal and subject matter
7 jurisdiction, which Defendant admits), Defendant hereby consents to the entry of the
8 final Judgment in the form attached hereto (the “Final Judgment”) and incorporated
9 by reference herein, which, among other things:

10 (a) permanently restrains and enjoins Defendant from violating Section 17(a)
11 of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of
12 1934 and Rule 10b-5 thereunder, and Section 206(4) of the Investment
13 Advisers Act of 1940 and Rule 206(4)-8 thereunder;

14 (b) orders Defendant to pay disgorgement in the amount of \$2,354,884, plus
15 prejudgment interest of \$65,309.50, which amounts shall be deemed satisfied
16 by the funds currently in the possession of the Court-appointed Receiver in this
17 action.

18 3. Defendant waives the entry of findings of fact and conclusions of law
19 pursuant to Rule 52 of the Federal Rules of Civil Procedure.

20 4. Defendant waives the right, if any, to a jury trial and to appeal from the
21 entry of the Final Judgment.

22 5. Defendant enters into this Consent voluntarily and represents that no
23 threats, offers, promises, or inducements of any kind have been made by the
24 Commission or any member, officer, employee, agent, or representative of the
25 Commission to induce Defendant to enter into this Consent.

26 6. Defendant agrees that this Consent shall be incorporated into the Final
27 Judgment with the same force and effect as if fully set forth therein.

28 7. Defendant will not oppose the enforcement of the Final Judgment on the

1 ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of
2 Civil Procedure, and hereby waives any objection based thereon.

3 8. Defendant waives service of the Final Judgment and agrees that entry of
4 the Final Judgment by the Court and filing with the Clerk of the Court will constitute
5 notice to Defendant of its terms and conditions. Defendant further agrees to provide
6 counsel for the Commission, within thirty days after the Final Judgment is filed with
7 the Clerk of the Court, with an affidavit or declaration stating that Defendant has
8 received and read a copy of the Final Judgment.

9 9. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims
10 asserted against Defendant in this civil proceeding. Defendant acknowledges that no
11 promise or representation has been made by the Commission or any member, officer,
12 employee, agent, or representative of the Commission with regard to any criminal
13 liability that may have arisen or may arise from the facts underlying this action or
14 immunity from any such criminal liability. Defendant waives any claim of Double
15 Jeopardy based upon the settlement of this proceeding, including the imposition of
16 any remedy or civil penalty herein. Defendant further acknowledges that the Court's
17 entry of a permanent injunction may have collateral consequences under federal or
18 state law and the rules and regulations of self-regulatory organizations, licensing
19 boards, and other regulatory organizations. Such collateral consequences include, but
20 are not limited to, a statutory disqualification with respect to membership or
21 participation in, or association with a member of, a self-regulatory organization. This
22 statutory disqualification has consequences that are separate from any sanction
23 imposed in an administrative proceeding. In addition, in any disciplinary proceeding
24 before the Commission based on the entry of the injunction in this action, Defendant
25 understands that it shall not be permitted to contest the factual allegations of the
26 complaint in this action.

27 10. Defendant understands and agrees to comply with the terms of 17 C.F.R.
28 § 202.5(e), which provides in part that it is the Commission's policy "not to permit a

1 defendant or respondent to consent to a judgment or order that imposes a sanction
2 while denying the allegations in the complaint or order for proceedings,” and “a
3 refusal to admit the allegations is equivalent to a denial, unless the defendant or
4 respondent states that he neither admits nor denies the allegations.” As part of
5 Defendant’s agreement to comply with the terms of Section 202.5(e), Defendant: (i)
6 will not take any action or make or permit to be made any public statement denying,
7 directly or indirectly, any allegation in the complaint or creating the impression that
8 the complaint is without factual basis; (ii) will not make or permit to be made any
9 public statement to the effect that Defendant does not admit the allegations of the
10 complaint, or that this Consent contains no admission of the allegations, without also
11 stating that Defendant does not deny the allegations; (iii) upon the filing of this
12 Consent, Defendant hereby withdraws any papers filed in this action to the extent that
13 they deny any allegation in the complaint; and (iv) stipulates solely for purposes of
14 exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C.
15 §523, that the allegations in the complaint are true, and further, that any debt for
16 disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant
17 under the Final Judgment or any other judgment, order, consent order, decree or
18 settlement agreement entered in connection with this proceeding, is a debt for the
19 violation of the federal securities laws or any regulation or order issued under such
20 laws by defendant, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11
21 U.S.C. §523(a)(19). If Defendant breaches this agreement, the Commission may
22 petition the Court to vacate the Final Judgment and restore this action to its active
23 docket. Nothing in this paragraph affects Defendant’s: (i) testimonial obligations; or
24 (ii) right to take legal or factual positions in litigation or other legal proceedings in
25 which the Commission is not a party.

26 11. Defendant hereby waives any rights under the Equal Access to Justice
27 Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other
28 provision of law to seek from the United States, or any agency, or any official of the

1 United States acting in his or her official capacity, directly or indirectly,
2 reimbursement of attorney's fees or other fees, expenses, or costs expended by
3 Defendant to defend against this action. For these purposes, Defendant agrees that
4 Defendant is not the prevailing party in this action since the parties have reached a
5 good faith settlement.

6 22. Defendant agrees that the Commission may present the Final Judgment
7 to the Court for signature and entry without further notice.

8 23. Defendant agrees that this Court shall retain jurisdiction over this matter
9 for the purpose of enforcing the terms of the Final Judgment.

10
11 Elevate Investments LLC

12 By: Jeffrey Brandlin
13 Jeffrey Brandlin
14 Court-appointed Receiver

15
16 On January __, 2022, Jeffrey Brandlin, a person known to me, personally
17 appeared before me and acknowledged executing the foregoing Consent with full
18 authority to do so on behalf of _____ as its _____.

19 SEE ATTACHED CERTIFICATE [Signature]

20 Notary Public
21 Commission expires:

22 Approved as to form:

23 Kyra E. Andrassy, Esq.
24 SMILEY WANG-EKVALL
25 3200 Park Center Drive, Suite 250
26 Costa Mesa, CA 92626
27 714-445-1000
28 kandrassy@swelawfirm.com
Counsel for Receiver for Defendant Elevate Investments LLC

Kyra E. Andrassy

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,
444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On January 18, 2022, I caused to be served the document entitled **CONSENT OF DEFENDANT ELEVATE INVESTMENTS LLC** on all the parties to this action addressed as stated on the attached service list:

☐ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

☐ **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

☐ **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

☐ **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

☐ **UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

☐ **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

☒ **E-FILING:** By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

☐ **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: January 18, 2022

/s/ Lynn M. Dean

Lynn M. Dean

SEC v. Justin Robert King, et al.
United States District Court—Central District of California
Case No. 8:20-cv-02398-JVS-DFM

SERVICE LIST

Kyra E. Andrassy (by ECF)
SMILEY WANG-EKVALL
3200 Park Center Drive, Suite 250
Costa Mesa, CA 92626
714-445-1000 Phone
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kandrassy@swelawfirm.com

Counsel for Receiver for Defendant Elevate Investments LLC

Michael J. Quinn, Esq. (by ECF)
Vedder Price LLP
1925 Century Park East, Suite 1900
Los Angeles, CA 90067
mquinn@vedderprice.com

Counsel for Justin King and Shannon King

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

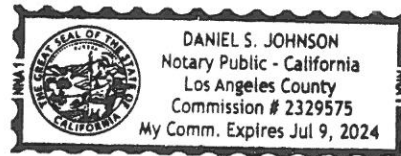
State of California
County of Los Angeles)

On JANUARY 13, 2022 before me, DANIEL S. JOHNSON, NOTARY PUBLIC
(insert name and title of the officer)

personally appeared JEFFREY BRANDUN,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



Signature  (Seal)

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

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 JUSTIN ROBERT KING; AND
17 ELEVATE INVESTMENTS LLC,

18 Defendants,

19 SHANNON LEIGH KING,

20 Relief Defendant.
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Case No. SACV 20-02398 JVS (DFMx)

**[PROPOSED] FINAL JUDGMENT AS
TO DEFENDANT ELEVATE
INVESTMENTS LLC**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Elevate Investments LLC having entered a general appearance; consented
3 to the Court's jurisdiction over Defendant and the subject matter of this action;
4 consented to entry of this Final Judgment without admitting or denying the
5 allegations of the Complaint (except as to jurisdiction and except as otherwise
6 provided herein in paragraph VI; waived findings of fact and conclusions of law; and
7 waived any right to appeal from this Final Judgment:

8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is
10 permanently restrained and enjoined from violating, directly or indirectly, Section
11 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §
12 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using
13 any means or instrumentality of interstate commerce, or of the mails, or of any
14 facility of any national securities exchange, in connection with the purchase or sale of
15 any security:

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

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

II.

IT IS HEREBY 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.

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

III.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from violating Section 206(4) of the Advisers Act, [15 U.S.C. § 80b-6(4)], and Rule 206(4)-8 thereunder, [17 C.F.R. § 275.206(4)-8], directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, while acting as an investment adviser to a pooled investment vehicle:

(a) to make any untrue statement of a material fact or omitting to state a material fact necessary to make the statements made, in the light of the

1 circumstances under which they were made, not misleading, to any investor or
2 prospective investor in a pooled investment vehicle; or

3 (b) to engage in any act, practice, or course of business that is fraudulent,
4 deceptive, or manipulative with respect to any investor or prospective investor
5 in a pooled investment vehicle.

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

12 IV.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant is liable for disgorgement in the amount of \$2,354,884, plus prejudgment
15 interest thereon in the amount of \$65,309.50, representing net profits gained as a
16 result of the conduct alleged in the Complaint, which amounts shall be deemed
17 satisfied by the funds currently in the possession of the Court-appointed Receiver in
18 this action.

19 The Receiver shall hold the funds (collectively, the "Fund") until further order
20 of this Court. The Receiver may propose a plan to distribute the Fund subject to the
21 Court's approval, and the Court shall retain jurisdiction over the administration of
22 any distribution of the Fund.

23 V.

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

VI.

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 Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant 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 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).

VII.

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.

VIII.

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: January __, 2022

HON JAMES V. SELNA
UNITED STATES DISTRICT JUDGE

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,
444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On January 18, 2022, I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT AS TO RELIEF DEFENDANT ELEVATE INVESTMENTS LLC** on all the parties to this action addressed as stated on the attached service list:

☐ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

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I declare under penalty of perjury that the foregoing is true and correct.

Date: January 18, 2022

/s/ Lynn M. Dean

Lynn M. Dean

SEC v. Justin Robert King, et al.
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Case No. 8:20-cv-02398-JVS-DFM

SERVICE LIST

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Counsel for Justin King and Shannon King