

1. The Commission filed this civil action on June 24, 2016, *inter alia*, asserting that Defendant committed violations of the federal securities laws. *See* Dkt. No. 1. On August 11, 2016, the Commission filed its First Amended Complaint. *See* Dkt. No. 22.

2. The Commission has reached a settlement with Defendant. Defendant has executed a written consent (the “Consent”) that sets out the terms of the agreement. *A true and correct copy of the Consent is filed herewith as Exhibit A.* Under the terms of the Consent, Defendant consents to the entry of a Final Judgment. *A true and correct copy of the Final Judgment is attached hereto as Exhibit B.*

3. Under the terms of the Consent, Defendant, *inter alia*: (a) acknowledges having been served with process; (b) acknowledges having made a general appearance; (c) admits the Court’s jurisdiction over him and over the subject matter of this action; and (d) consents to the entry of the Final Judgment.

4. As set forth in the Final Judgment, Defendant, *inter alia*:

(a) consents to entry of the Final Judgment without admitting or denying the allegations in the First Amended Complaint except as noted in the Final Judgment;

(b) waives findings of fact and conclusions of law;

(c) waives any right to appeal from the Final Judgment;

(d) is permanently restrained and enjoined from violating, directly or indirectly:

(1) Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

- (2) Section 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Rule 14a-9 thereunder [17 C.F.R. § 240.14a-9];
 - (3) Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1]; and
 - (4) Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2];
- (e) is permanently restrained and enjoined from aiding and abetting any violation of:
- (1) Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11, or 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13]; and
 - (2) Section 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)];
- (f) is prohibited for five years from the date of the entry of the Final Judgment from:
- (1) 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)]; and
 - (2) participating, directly or indirectly, in the issuance, purchase, offer, or sale of any unregistered securities, provided however that such injunction shall not prevent him from purchasing or selling securities for his own personal account;
- (g) is liable for disgorgement in the amount of \$74,825 plus prejudgment interest thereon in the amount of \$11,396.15; and
- (h) is liable for a civil penalty in the amount of \$250,000.

5. The Final Judgment disposes of all issues in the Commission's case against Defendant. However, as set forth in the Final Judgment, this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms in the Final Judgment.

6. Thus, the Commission respectfully asks the Court to enter the Final Judgment consented to by Defendant.

Dated: March 14, 2019

Respectfully submitted,

s/ Jason Reinsch

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ATTORNEYS FOR PLAINTIFF
SECURITIES AND EXCHANGE COMMISSION

CERTIFICATE OF CONFERENCE

Pursuant to the attached Consent, Defendant agrees that the Commission may, without further notice, present the Final Judgment to the Court for entry. See Exhibit A at ¶ 15.

/s/ Jason Reinsch
JASON REINSCH

CERTIFICATE OF SERVICE

I affirm that on March 14, 2019, I electronically filed the foregoing Motion with the Clerk of the Court for the Northern District of Texas, Dallas Division, by using the CM/ECF system which will send a notice of electronic filing to all CM/ECF participants, constituting service as provided in LR 5.1 (d).

I further certify that on March 14, 2019, I served a true and correct copy of the foregoing document on the following parties and persons entitled to notice that are non-CM/ECF participants:

Michael P. Gibson (via UPS and E-mail) Burleson, Pate & Gibson, LLP Founders Square 900 Jackson St., Suite 330 Dallas, TX 75202 mgibson@bp-g.com <i>Counsel for Defendant Beth C. Handkins</i>	Alex More (Requested e-mail service only) Carrington Coleman 901 Main St., Suite 5500 Dallas, TX 75202 amore@CCSB.com <i>Counsel for Defendant Gilbert R. Steedley</i>
Christopher A. Faulkner (via Certified mail, return receipt requested) Register No. 76501-112 FCI Seagoville Federal Correctional Institution P.O. Box 9000 Seagoville, TX 75159 <i>Pro Se Defendant</i>	Jeremy S. Wagers (via UPS) 23381 McCrory Road Navasota, Texas 77868 jwagers@wagerslaw.com <i>Pro Se Defendant</i>

/s/ Jason Reinsch
JASON REINSCH

Defendant admits), Defendant hereby consents to the entry of the final Judgment in the form attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Defendant from violating Sections 10(b) and 14(a) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §§ 78j(b) and 78n(a)] and Exchange Act Rules 10b-5, 13b2-1, 13b2-2, and 14a-9 [17 C.F.R. §§ 240.10b-5, 240.13b2-1, 240.13b2-2, and 240.14a-9] and from aiding and abetting violations of Exchange Act Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) [15 U.S.C. §§ 78m(a), 78m(b)(2)(A), and 78m(b)(2)(B)] and Exchange Act Rules 13a-1, 13a-11, 13a-13, and 12b-20 [17 C.F.R. §§ 240.13a-1, 240.13a-11, 240.13a-13, and 240.12b-20];
- (b) for a period of five years after entry of the Final Judgment, restrains and enjoins Defendant from participating, directly or indirectly, including, but not limited to, through any entity owned or controlled by him, in the issuance, purchase, offer, or sale of any unregistered securities, provided however that such injunction shall not prevent him from purchasing or selling securities for his own personal account;
- (c) for a period of five years after entry of the Final Judgment, bars Defendant, pursuant to Exchange Act Section 21(d)(2) [15 U.S.C. § 78u(d)(2)], from serving as an officer or director of any issuer that has a class of securities registered pursuant to Exchange Act Section 12 [15 U.S.C. § 781] or that is required to file reports pursuant to Exchange Act

Section 15(d) [15 U.S.C. § 78o(d)];

- (d) orders Defendant to pay disgorgement in the amount of \$74,825, plus prejudgment interest thereon in the amount of \$11,396.15; and
- (e) orders Defendant to pay a civil penalty in the amount of \$250,000 under Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)].

3. Defendant acknowledges that the civil penalty paid pursuant to the Final Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, the civil penalty shall be treated as a penalty paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant agrees that Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that Defendant is entitled to, nor shall Defendant further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant agrees that Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this action. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

4. Defendant agrees that Defendant shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that Defendant shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

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

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

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

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

9. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

10. Defendant waives service of the Final Judgment and agrees that entry of the Final

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

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

12. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the

allegations in the complaint or order for proceedings,” and “a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations.” As part of Defendant’s agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the Complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint; and (iv) stipulates solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, that the allegations in the Complaint are true, and further, that any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under the 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 Defendant 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). If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant’s: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

13. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to

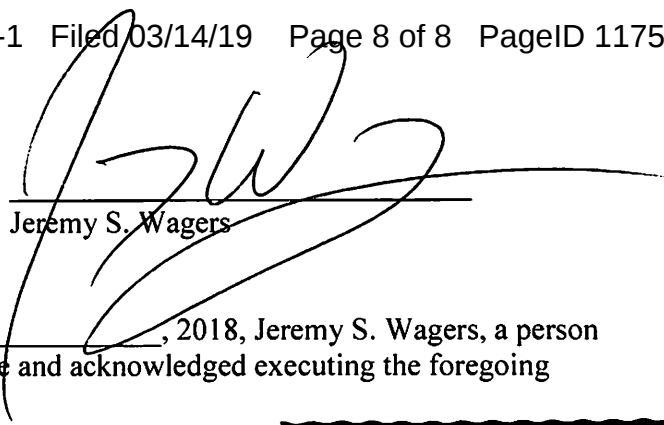
seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees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

14. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Defendant (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena.

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

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

Dated: ^{12/19 JW} ~~12/18~~ / 2018



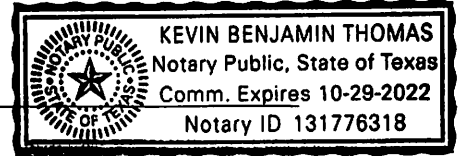
Jeremy S. Wagers

On December 19, 2018, 2018, Jeremy S. Wagers, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



Notary Public

Commission expires:



SO ORDERED this _____ day of March __, 2019.

SIDNEY A. FITZWATER

SENIOR UNITED STATES DISTRICT JUDGE