

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

13-cv-416

v.

SHAVERS, ET AL.

Defendant.

**MOTION TO EXTEND THE DATE FOR DEFENDANT TRENDON SHAVERS
TO COMPLY WITH THE COURT'S ORDERS OR BE INCARCERATED**

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November 2, 2022

Plaintiff Securities and Exchange Commission (the “Commission”) respectfully requests that the Court modify its Contempt Order, DE 110, to allow Defendant Trendon Shavers (“Shavers”) additional time to comply with the Court’s Orders or be incarcerated.

BACKGROUND

The Court held Shavers in contempt on October 24, 2022 after determining that Shavers had demonstrated “flagrant disregard for the Court’s order[s] on multiple occasions” including: (1) the Amended Final Judgement (Dkt. #90), (2) the January 13 order (Dkt. #100), (3) the July 13 order (Dkt. #108), and (4) the Show Cause Order (Dkt. #109). DE 110 p.9. The Court then ordered Shavers incarcerated on November 3, 2022 unless he complies with the Court’s orders by taking several steps.

In relevant part, the Court ordered Shavers to produce the sworn financial statements that the SEC requested. DE 110. The Court stated that once Shavers has demonstrated that he has complied with this requirement, or shown that he cannot, Shavers will purge himself of his contempt for failing to provide sworn financial documents to the SEC pursuant to the Court’s January 13 order (Dkt. #100). *Id.*

Next, the Court ordered Shavers to pay \$400 to the SEC by no later than ten (10) days after entry of this Order, which will go towards his Disgorgement Obligation. *Id.* Thereafter, Shavers shall pay the SEC \$400 on the 5th day of every month thereafter until (i) his Disgorgement Obligation is paid in full, or (ii) the Court finds on Shavers’s or the SEC’s motion that he has a complete inability to pay the Disgorgement Obligation. *Id.*

Finally, the Court ordered that Shavers’s incarceration may be suspended if Shavers provides the sworn financial statements to the SEC and makes his first \$400 payment to the SEC by no later than ten (10) days from the entry of this Order. *Id.* However, if Shavers fails to make

the subsequent monthly payments to the SEC, the SEC is to notify the Court. *Id.* Upon receiving notice, the Court will issue a warrant for Shavers's arrest and reinstate his incarceration. *Id.*

The Court's Order permits the SEC and Shavers to modify the payment amount after the initial \$400 payment is made. *Id.*

As set forth in the Court's Order, Shavers has displayed evasiveness and ignored the Court's orders. Since entry of the Contempt Order, the SEC has engaged in discussions with Shavers. He has represented that he has a negative bank balance at present and cannot provide sworn financial statements because he cannot obtain a notarized signature because he does not have a valid driver's license nor can he locate other identifying information such as a passport or a birth certificate. Shavers states that the process to obtain a new driver's license will take 18 months.

As to the \$400 monthly payments, Shavers represented that he had earned less this month than he had previously. But he has also informed the SEC that he has accepted a job offer and expects to commence work in mid-November and he expects to be able to pay \$400 by as early as November 21. In addition, according to Shavers, his expected income should easily allow him to make the subsequent \$400 monthly payments. Shavers does not have anything in writing to substantiate either source of expected income. But given Shavers' representations, the SEC is willing to ask the Court to modify its Order and extend the time for Shavers to surrender to the U.S. Marshalls to be incarcerated until November 28 to allow him the opportunity to comply with the Court's Order. The SEC is mindful that if Shavers is incarcerated before he begins his new job, Shavers' ability to make the Court-ordered payments will be adversely impacted.

Thus, the SEC requests that the Court extend the time for Shavers to comply with the Contempt Order to allow Shavers to make the first \$400 payment by November 28, 2022. If Shavers fails to make payment, he shall be in contempt and incarcerated until he cures by making payment. The SEC also requests that Shavers be granted until March 2, 2023 to submit sworn financials. If he fails to submit sworn financials by March 2, 2023, he will be incarcerated until he does so. All other aspects of the Contempt Order, DE 110, remain in effect.

CONCLUSION

For the reasons set forth above, the Court should grant the relief the Commission seeks.

Dated: Wantagh, New York
November 2, 2022

s/ Maureen Peyton King
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