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IN THE UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

SHE BEVERAGE COMPANY & LUPE ROSE

Defendant

Case No.: 2-21-cv-07339-CAS-AS

DECLARATION OF LUPE ROSE
IN SUPPORT OF MOTION TO DISMISS /
AMENDED MOTION / AND SUPPLEMENTAL
MEMORANDUM REGARDING
SEC EXPERT'S SELECTIVE DATA
MANIPULATION
AND MISREPRESENTATION OF EVIDENCE

DECLARATION OF LUPE ROSE IN SUPPORT OF THE MOTION TO DISMISS

I, Lupe Rose, hereby declare under penalty of perjury under the laws of the United States of America that the following is true and correct:

PERSONAL BACKGROUND

1. I am the founder and CEO of SHE Beverage Company, a business I established in 2009 with the mission of creating innovative beverage products and empowering women entrepreneurs.
2. Prior to the SEC's intervention, SHE Beverage Company was a legitimate, fully operational business with:
 - o Six verified brick-and-mortar business locations
 - o A documented valuation of \$253 million
 - o Interest from major financial institutions including NASDAQ and Morgan Stanley

FINANCIAL DOCUMENTATION

3. I personally invested \$2.7 million into the company, demonstrating my commitment to its success.
4. A comprehensive PCAOB-audited financial report was completed at a cost of \$80,000, which thoroughly documented the company's financial operations.

DECLARATION OF LUPE ROSE IN SUPPORT OF MOTION TO DISMISS / AMENDED MOTION / AND
SUPPLEMENTAL MEMORANDUM REGARDING SEC EXPERT'S SELECTIVE DATA MANIPULATION AND
MISREPRESENTATION OF EVIDENCE - 1

5. The company maintained detailed ledgers documenting EVERY single business expenditure, including but not limited to:

- Research and Development investments
- Employee payroll
- Facility operational costs
- Marketing and promotional expenditures
- Fleet and equipment investments
- Corporate expansion efforts

INTERACTIONS WITH SEC OFFICIALS

6. On or about March 22, 2023, SEC Attorney Stephen Kam:

- Proposed a settlement agreement under extreme duress
- Threatened continued reputational destruction through potential press releases
- Prevented fair presentation of comprehensive financial documentation as promised
- Mischaracterized legitimate business expenses

PATTERN OF INSTITUTIONAL MISCONDUCT

7. The SEC's investigation and subsequent actions:

- Systematically suppressed over 100 pages of accounting documentation
- Ignored verified business operations
- Attempted to destroy the company's professional reputation
- Undermined the economic potential of a women-owned, minority-led business

SPECIFIC INSTANCES OF PROSECUTORIAL OVERREACH

8. The Department of Justice referral was based on:

- Deliberately suppressed financial evidence
- Fabricated allegations of financial impropriety
- Willful ignorance of comprehensive accounting documentation

9. Legitimate business transactions were arbitrarily excluded, including:

- Transactions from wholly-owned subsidiaries

- Business operations dating from 2009-2023
- Expenses related to six verified business locations
- Consolidated business operations of acquired companies

EXPERT FINANCIAL ANALYSIS DISCREPANCIES

10. The SEC's expert witness, Eric Poer, acknowledged in his report that approximately \$3.4 million of expenses had "Sufficient and Appropriate evidence to support that such proceeds were used for bona fide business purposes."

11. Despite this acknowledgment, the expert:

- Arbitrarily removed 36,189 transactions without proper justification
- Excluded \$315,603 in inter-company transfers without analyzing their business purpose
- Failed to consider consolidated operations as required by GAAP principles

IMPACT OF INSTITUTIONAL ACTION

12. The SEC's actions have:

- Destroyed a \$253 million potential market value
- Eliminated innovative product lines
- Eliminated employment opportunities
- Undermined a vision of women's empowerment in business

CONSTITUTIONAL AND LEGAL CONCERNS

13. The investigation and subsequent actions violated fundamental due process rights, including:

- Preventing fair presentation of financial evidence
- Coercing agreements under duress
- Misrepresenting business operations

CONCLUSION

14. I stand before this court seeking justice, accountability, and restoration of my company's reputation.

15. The actions taken against SHE Beverage Company represent a systemic threat to entrepreneurial rights and constitutional protections.

1 I declare under penalty of perjury that the foregoing is true and correct to the best of my
2 knowledge.

3 Executed this 19th day of March, 2025.

4
5 Lupe Rose

6
7 March 24, 2025

8 

9 _____
10 Attorney Name