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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

WILLIAM GOREN and NEW AGE FINANCIAL  
SERVICES,

Civil Action No.: CV 00-970 (TCP)

Defendants,

-and-

NEW TIMES SECURITIES SERVICES, INC.,

Relief Defendant.

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**ORDER, *INTER ALIA*, (I) FIXING THE TOTAL NUMBER AND AMOUNT OF ALL CLAIMS; (II) AUTHORIZING THE CLAIMS ADMINISTRATOR TO MAKE A FINAL DISTRIBUTION TO HOLDERS OF ALLOWED CLAIMS; AND (III) AUTHORIZING THE ESTABLISHMENT OF A CASE CLOSING RESERVE**

*Upon the Order Scheduling Hearing to Consider the Securities and Exchange Commission's ("Commission") Application for an Order, Inter Alia, (I) Approving the Commission's Plan for Distributing the Proceeds from the Liquidation of William Goren's Assets to Investors and General Unsecured Creditors, (II) Appointing John J. Scura as Claims Administrator, (III) Fixing the Number and Amount of Allowed Claims and a Record Date for Determining Holders of Allowed Claims, (IV) Authorizing the Claims Administrator to Make a Final Distribution to Holders of Allowed Claims, and (V) Appointing Damasco & Associates as Tax Administrator, dated July 6, 2005 (the "Scheduling Order"), and the Distribution*

Application<sup>1</sup> in support thereof dated June 29, 2005 of the Commission; and upon the various Declarations, objections and/or responses filed by certain investors, parties or parties in interest herein; and upon the Joint Reply and Supplemental Joint Reply filed herein by the Commission and Richard L. Stone (the "Receiver"), the receiver appointed in the above-captioned matter, to certain of the Declarations, objections and/or responses; and as evidenced by the affidavits of service filed with the Court, (i) due and sufficient notice of the Distribution Application and the relief requested therein having been given in accordance with the Scheduling Order and (ii) due and sufficient notice of the Joint Reply and Supplemental Joint Reply having been given to all appropriate parties, and it appearing that no other or further notice need be given; and upon the Record Date having passed; and upon the Commission having timely filed the Final Allowed Claims Schedule<sup>2</sup>; and upon the Court having previously ruled on all objections, responses and/or Declarations not previously agreed upon by such investors and the Commission and the Receiver; and upon the record of the hearing held on October 7, 2005 (the "Hearing"); and it appearing that the relief requested in the Distribution Application, the Joint Reply and the Supplemental Joint Reply, and at the Hearing is necessary and in the best interests of the Receivership Estate and its creditors; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS that:

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<sup>1</sup> Capitalized terms used and not defined herein shall have the meanings respectively ascribed to them in the Distribution Application.

<sup>2</sup> Since its filing, the Final Allowed Claims Schedule has been modified to include the net proceeds of one additional promissory note investment of \$8,200.

A. On February 17, 2000, the Commission, filed a Complaint against Goren, New Times and New Age, seeking, among other things the appointment of a temporary receiver for New Age and New Times for all of their property and assets wherever situated.

B. On February 18, 2000, this Court entered the Preliminary Injunction Order which, *inter alia*, appointed the Receiver as temporary receiver of the defendants, New Age and New Times.

C. On May 18, 2000, this Court entered the Original SIPA Order placing New Times into liquidation pursuant to the Securities Investor Protection Act of 1970 ("SIPA") and appointed James W. Giddens (the "SIPA Trustee") as trustee for the liquidation of the business of New Times (the "Original SIPA Proceeding"). Thereafter, on December 4, 2000, this Court entered the Receiver Consent Order authorizing the Receiver to consent to a motion filed by the SIPA Trustee in the SIPA Proceeding to substantively consolidate the assets and liabilities of New Age with the assets and liabilities of New Times. As a result of the entry of the foregoing Orders, and the entry of the SIPA Substantive Consolidation Order the estates of New Age and New Times were substantively consolidation (the "Consolidated SIPA Proceeding").

D. Notwithstanding the entry of the Original SIPA Order, the Receiver Consent Order and the SIPA Substantive Consolidation Order, the Preliminary Injunction Order provides (i) that Goren, individually, "shall transfer, and continue to transfer as he acquires or obtains an interest in all of his funds, real property, motor vehicles, securities, and interests in New Times and New Age to the receiver" and (ii) that the Receiver may "take such further action as the Court shall deem equitable, just and appropriate under the circumstances upon proper application."

E. The Order Amending Preliminary Injunction Order further provides that "the Receiver is hereby authorized to take possession and control over Goren's Assets for administration pursuant to the Preliminary Injunction Order . . . [and] the Receiver is hereby authorized to liquidate Goren's Assets transferred to the receiver for administration pursuant to the Preliminary Injunction Order."

F. On July 6, 2005, this Court entered the Scheduling Order, *inter alia*, (i) authorizing the appointment of the Claims Administrator and the Tax Administrator; (ii) fixing September 6, 2005 as the Record Date; and (iii) approving the form of notice of the Distribution Application and the relief requested therein.

G. The Court has jurisdiction over the Distribution Application pursuant to the Preliminary Injunction Order and the Order Amending Preliminary Injunction Order.

H. As evidenced by the affidavits of service filed with the Court, the Commission has provided due and sufficient notice of the Hearing on the Distribution Application and the relief set forth therein in accordance with the Scheduling Order.

I. The Receiver (i) has liquidated all of Goren's known assets and/or has abandoned or otherwise disposed of those assets of inconsequential value not reasonably capable of liquidation and (ii) does not have sufficient cash on hand to pay in full all Allowed Claims as specified on the Final Allowed Claims Scheduled previously filed with the Court.

J. As a result of the fact that the cash proceeds generated from the liquidation of Goren's assets are insufficient to pay in full all Allowed Claims, the Claims Administrator will pay to holders of all Allowed Claims a *pro rata* distribution based on the allowed amount of such holders' claims as set forth in the Final Allowed Claims Schedule, which sets forth, *inter alia*,

that: (i) the Receiver holds, as of the Record Date, \$1,538,517.27, from the liquidation of Goren's assets and the Commission has proposed withholding from the distribution \$20,000 for a Case Closing Reserve; (ii) consequently, the Receiver holds \$1,518,517.27 of Cash for purposes of making the Final Distribution; (iii) the net amount of the investors' Promissory Note Claims is \$19,515,426.62 and the net amount of the General Unsecured Claims is \$526,159.47; (iv) consequently, the aggregate amount of all Allowed Claims is \$20,041,586.09; (v) the proposed Final Distribution Percentage to the holders of Allowed Claims is derived from a fraction, the numerator of which is the amount of Cash for purposes of the Final Distribution (\$1,518,517.27), and the denominator of which is the aggregate amount of the Allowed Claims (\$20,041,586.09), which is 7.57683181%.

K. In accordance with the Scheduling Order, and as evidenced by the affidavits of service filed with the Court, notice of the Record Date was provided by mail to each known party in interest and posted on the Commission's website.

L. With respect to all interested parties, notice of the Objection Deadline to object to the relief requested in the Distribution Application and an opportunity to be heard before the Court was afforded to each such party in interest.

M. With respect to Promissory Note Claims, the "net investment" method utilized by the Commission and the Receiver to reconcile such claims is adequate and appropriate under the facts of this case.

N. The claims listed on the Final Allowed Claims Schedule comprise all of the allowed claims of the Receivership Estate, except for the administrative expense claims of (i) the Receiver and his Professionals which have previously been fixed and authorized by the Court and

paid, and (ii) the Claims Administrator and Tax Administrator which shall be paid from the Case Closing Reserve.

O. Good cause has been shown for the entry of this Order and entry of this Order is in the best interests of the Receivership Estate and its creditors.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT,

1. The relief requested in the Distribution Application, the Joint Reply and the Supplemental Joint Reply be, and it hereby is, granted.
2. The Final Allowed Claims Schedule is hereby approved in its entirety.
3. To the extent not settled or withdrawn, any and all objections, responses and/or Declarations filed in response to the Distribution Application be, and they hereby are, overruled and denied in their entirety for the reasons set forth (i) in this Court's Memorandum and Opinion dated September 27, 2005 and/or (ii) on the record at the Hearing.
4. The Claims Administrator is hereby authorized to make a final distribution (the "Final Distribution") to each holder of an Allowed Claim listed in the Final Allowed Claims Schedule in an amount equal to 7.57683181% of the amount of such holder's Allowed Claim listed in the Final Allowed Claims Schedule.
5. The Claims Administrator is authorized to make the Final Distribution only to the entity which is the holder of an Allowed Claim as of the Record Date, *i.e.* September 6, 2005, and who is listed in the Final Allowed Claims Schedule.
6. For purposes of making the Final Distribution, the Claims Administrator is hereby authorized to (i) utilize the "net investment" method to determine the allowed amount of all Promissory Note Claims; (ii) rely upon the Final Allowed Claims Schedule as it exists on the

Record Date; and (iii) make such distribution only to Holders of Allowed Claims identified on such Final Allowed Claims Schedule as of the Record Date.

7. The Commission, the Receiver and/or the Claims Administrator is hereby authorized to establish a case closing reserve in the amount of \$20,000 to pay the anticipated Case Closing Expenses as more fully defined in the Distribution Application.

8. Aside from administrative expenses incurred by the Receiver and his Professionals in this case which have previously been fixed, approved and paid, the only entities the Claims Administrator is authorized to issue checks to in connection with the Final Distribution are holders of allowed Promissory Note Claims and holders of allowed General Unsecured Claims as specified on the Final Allowed Claims Schedule; no other entity possesses a valid claim against the Receivership Estate, *provided, however*, the Claims Administrator is authorized to pay the fees and expenses of the Claims Administrator and the Tax Administrator, as well as any taxes, if any, which may become due, from the Case Closing Reserve.

9. If a holder of an Allowed Claim fails to negotiate a check issued to such holder pursuant to the provisions of this Order on or before March 15, 2006, then the Claims Administrator shall cancel such Final Distribution check, the amount of cash attributable to such check shall be deposited into the Receivership Estate's bank account, and the holder of such Allowed Claim will be automatically deemed to have waived its Allowed Claim.

10. All entities, including without limitation, individuals, partnerships, corporations, estates, trusts or governmental units, who have held, hold or may hold claims or any other liabilities against the Receivership Estate arising prior to the date of this Order, who are not listed in the Final Allowed Claims Schedule as holders of Allowed Claims, are forever barred and permanently enjoined from taking any action or hereinafter asserting any claim against the

Receivership Estate and/or the Receiver, the Claims Administrator, the Tax Administrator and/or their professionals, on the basis of such entities' purported claims and/or other liabilities.

11. Any checks tended by the Claims Administrator which are either (i) returned to the Commission and/or the Claims Administrator, or (ii) cancelled after March 15, 2006, shall be returned to the Receivership Estate's bank account (these funds to be held in the Receivership Estate's bank account, less the amount held as the Case Closing Reserve, are identified herein as the "Remaining Funds"). Pursuant to the Court's direction, subsequent to March 15, 2006, the Claims Administrator is hereby authorized and empowered without a further Court order to make payment of the Remaining Funds to each holder of an Allowed Claim in an amount equal to 7.57683181% of the amount of such holder's Allowed Claim listed in the Final Allowed Claims Schedule if the estimated costs associated with making this disbursement (*i.e.* the Claims Administrator's fees as described in the Commission's Distribution Application, plus postage; the "Costs") are less than the amount of Remaining Funds. Conversely, if the Costs are greater than the amount of Remaining Funds, then the Claims Administrator is hereby authorized and empowered without a further Court order to make payment of the Remaining Funds to an entity that the Court has chosen, the Long Island Community Foundation ("LICF"), for disbursement to Long Island, New York charities of LICF's choosing.

12. The Commission, the Receiver, the Claims Administrator and/or the Tax



Receivership Estate and/or the Receiver, the Claims Administrator, the Tax Administrator and/or their professionals, on the basis of such entities' purported claims and/or other liabilities.

11. Any checks tendered by the Claims Administrator which are either (i) returned to the Commission and/or the Claims Administrator, or (ii) cancelled after March 15, 2006, shall be returned to the Receivership Estate's bank account (these funds to be held in the Receivership Estate's bank account, less the amount held as the Case Closing Reserve, are identified herein as the "Remaining Funds"). Pursuant to the Court's direction, subsequent to March 15, 2006, the Claims Administrator is hereby authorized and empowered without a further Court order to make payment of the Remaining Funds to each holder of an Allowed Claim in an amount equal to 7.57683181% of the amount of such holder's Allowed Claim listed in the Final Allowed Claims Schedule if the estimated costs associated with making this disbursement (*i.e.* the Claims Administrator's fees as described in the Commission's Distribution Application, plus postage; the "Costs") are less than the amount of Remaining Funds. Conversely, if the Costs are greater than the amount of Remaining Funds, then the Claims Administrator is hereby authorized and empowered without a further Court order to make payment of the Remaining Funds to an entity that the Court has chosen, the Long Island Community Foundation ("LICF"), for disbursement to Long Island, New York charities of LICF's choosing.

12. The Commission, the Receiver, the Claims Administrator and/or the Tax

Administrator are hereby authorized and empowered to take all steps necessary and appropriate to effectuate the terms of this Order and the making of the Final Distribution.

Dated: Central Islip, New York  
October 23 2005

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UNITED STATES DISTRICT COURT JUDGE