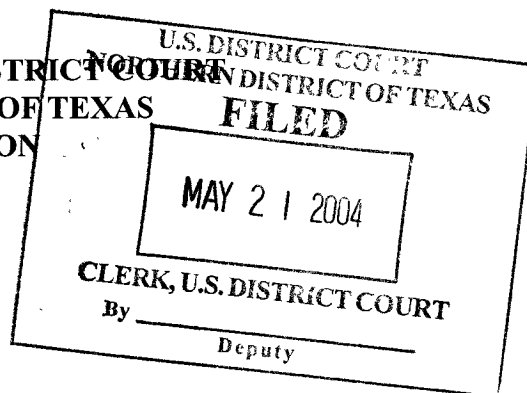


IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION, §

Plaintiff, §

v. §

WARREN ASSET MANAGEMENT, LLC, §  
DG PRIVATE INVESTMENT FUND, LLC, and §  
WELDON R. WARREN individually and d/b/a §  
DYNAMIC FINANCIAL MANAGEMENT, §

Defendants. §

3-04CV-1038R

**FINAL JUDGMENT OF PERMANENT INJUNCTION AS TO DEFENDANTS  
WARREN ASSET MANAGEMENT, LLC,  
DG PRIVATE INVESTMENT FUND, LLC and WELDON R. WARREN  
individually and d/b/a DYNAMIC FINANCIAL MANAGEMENT**

The Securities and Exchange Commission having filed a Complaint and Defendants Warren Asset Management, LLC (“WAM”), DG Private Investment Fund, LLC (“DGPIF”) and Weldon R. Warren (“Warren”), having entered a general appearance; consented to the Court’s jurisdiction over Defendants and the subject matter of this action; consented to entry of this Final Judgment of Permanent Injunction (“Final Judgment”) without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

**IT IS THEREFORE ORDERED:**

**I.**

Defendants and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or

otherwise, are, in connection with the purchase or sale of any security, restrained and enjoined from making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national security exchange, directly or indirectly, and:

- (a) employing any device, scheme or artifice to defraud;
- (b) making any untrue statement of a material fact or to omit to state 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) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

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

## II.

Defendants and their agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are, in connection with the offer or sale of any security, restrained and enjoined from making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national security exchange, directly or indirectly, and:

- (a) employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of a material fact or any omission to state 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) engaging in any transactions, practices or courses of business which operate or would operate as a fraud or deceit upon any purchaser or prospective purchaser.

[Securities Act of 1933 § 17(a) (15 U.S.C. § 77q(a))].

### III.

WAM and its agents, servants, employees, attorneys, and all persons in active concert or participation with it who receive actual notice of this Final Judgment by personal service or otherwise, are, while acting as an investment adviser, restrained and enjoined from making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national security exchange, directly or indirectly, and:

- (a) employing any device, scheme or artifice to defraud any client or prospective client;
- (b) engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client; and
- (c) engaging in any act, practice or course of business which is fraudulent, deceptive or manipulative.

[Investment Advisers Act of 1940 (“Advisers Act”) § 206(1), (2) and (4) (15 U.S.C. §§ 80b-6(1), (2) and (4)) and Rules 206(4)-1(a)(5), 206(4)-2, 206(4)-4(a)(1), 206(4)-4(a)(2) and 206(4)-4(c) thereunder (17 C.F.R. §§ 275.206(4)-1(a)(5), 206(4)-2, 206(4)-4(a)(1), 206(4)-4(a)(2) and 206(4)-4(c))].

### IV.

WAM and its agents, servants, employees, attorneys, and all persons in active concert or participation with it who receive actual notice of this Final Judgment by personal service or otherwise, are restrained and enjoined from making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national security exchange, directly or indirectly, and (a) failing to

make and keep for prescribed periods such records (as defined in Section 3(a)(37) of the Securities Exchange Act of 1934), and (b) failing to furnish such copies thereof and to make and disseminate such reports as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

[Advisers Act § 204 (15 U.S.C. § 80b-4) and Rules 204-2(a)(1)-(7), 204-2(a)(10), 204-2(a)(11), 204-2(a)(12), 204-2(a)(14), 204-2(a)(16), 204-2(b), 204-2(e)(3), 204-3 thereunder (17 C.F.R. §§ 275.204-2(a)(1)-(7), 204-2(a)(10), 204-2(a)(11), 204-2(a)(12), 204-2(a)(14), 204-2(a)(16), 204-2(b), 204-2(e)(3), 204-3)].

## V.

WAM and its agents, servants, employees, attorneys, and all persons in active concert or participation with it who receive actual notice of this Final Judgment by personal service or otherwise, are restrained and enjoined from making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national security exchange, directly or indirectly, from registering with the Commission as an investment adviser unless it has assets under management of not less than \$25 million, or such higher amount as the Commission may by rule deem appropriate, unless it is an adviser to at least one registered investment company or unless an exemption applies.

[Advisers Act § 203A (15 U.S.C. § 80b-3a)].

## VI.

Warren and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, are restrained and enjoined from making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national security exchange, directly or indirectly, and

aiding and abetting violations of Section 17(a) of the Securities Act; Section 10(b) of the Exchange Act and Rule 10b-5 thereunder; and Sections 203A, 204, 206(1), 206(2) and 206(4) of the Advisers Act, and Rules 204-2(a)(1)-(7), 204-2(a)(10), 204-2(a)(11), 204-2(a)(12), 204-2(a)(14), 204-2(a)(16), 204-2(b), 204-2(e)(3), 204-3, 206(4)-1(a)(5), 206(4)-2, 206(4)-4(a)(1), 206(4)-4(a)(2), and 206(4)-4(c) thereunder.

## VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are liable for disgorgement of \$38,020, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$925, for a total of \$38,945. Based on Defendants' sworn representations in the Statement of Financial Condition dated March 12, 2004, and other documents and information submitted to the Commission, however, the Court is not ordering Defendants to pay a civil penalty and payment of the disgorgement and prejudgment interest thereon is waived. The determination not to impose a civil penalty and to waive payment of the disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of Defendants' Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendants' representations to the Commission concerning Defendants' assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendants, petition the Court for an order requiring Defendants to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided

by Defendants was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendants to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendants may not, by way of defense to such petition: (1) challenge the validity of the Consent of Defendants Warren Asset Management LLC, DG Private Investment Fund, LLC and Weldon R. Warren individually and d/b/a Dynamic Financial Management ("Consent") or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

### VIII.

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

### IX.

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.

Signed this 21 day of May 2004.

  
UNITED STATES DISTRICT JUDGE