

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

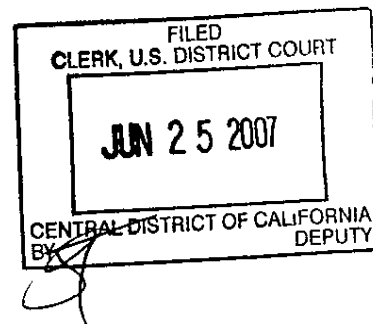
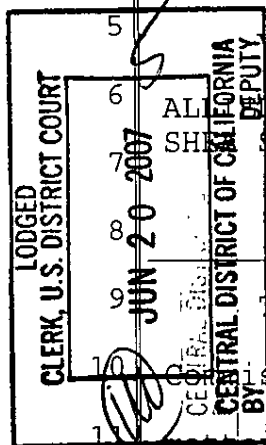
Case No.05-cv-08800-GPS (JTLx)

Plaintiff,

FINAL JUDGMENT

ALLIED CAPITAL MANAGEMENT, INC.,
SHEA SILVA and JOANNA BANKS

Defendants.



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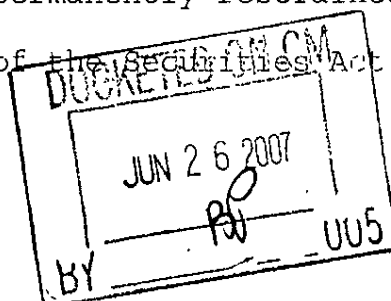
The Court, upon motion of the Securities and Exchange Commission, hereby enters a consolidated Final Judgment in this matter.

INJUNCTIONS AGAINST SHEA SILVA AND ALLIED CAPITAL MANAGEMENT

Defendants Shea Silva and Allied Capital Management having entered a general appearance; consented to the Court's jurisdiction over them and the subject matter of this action; consented to entry of injunctions against them 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:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants Silva and Allied Capital 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 permanently restrained and enjoined from violating Section 5 of the Securities Act [15



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1 U.S.C. § 77e] by, directly or indirectly, in the absence of any
2 applicable exemption:

3 (a) Unless a registration statement is in effect as to a
4 security, making use of any means or instruments of
5 transportation or communication in interstate commerce or of
6 the mails to sell such security through the use or medium of
7 any prospectus or otherwise;

8 (b) Unless a registration statement is in effect as to a
9 security, carrying or causing to be carried through the
10 mails or in interstate commerce, by any means or instruments
11 of transportation, any such security for the purpose of sale
12 or for delivery after sale; or

13 (c) Making use of any means or instruments of
14 transportation or communication in interstate commerce or of
15 the mails to offer to sell or offer to buy through the use
16 or medium of any prospectus or otherwise any security,
17 unless a registration statement has been filed with the
18 Commission as to such security, or while the registration
19 statement is the subject of a refusal order or stop order or
20 (prior to the effective date of the registration statement)
21 any public proceeding or examination under Section 8 of the
22 Securities Act [15 U.S.C. § 77h].

23 II.

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
25 Defendants Silva and Allied Capital and their agents, servants,
26 employees, attorneys, and all persons in active concert or
27 participation with them who receive actual notice of this Final

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1 Judgment by personal service or otherwise are permanently
2 restrained and enjoined from violating Section 17(a) of the
3 Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any
4 security by the use of any means or instruments of
5 transportation or communication in interstate commerce or by use
6 of the mails, directly or indirectly:

7 (a) to employ any device, scheme, or artifice to defraud;

8 (b) to obtain money or property by means of any untrue
9 statement of a material fact or any omission of a material
10 fact necessary in order to make the statements made, in
11 light of the circumstances under which they were made, not
12 misleading; or

13 (c) to engage in any transaction, practice, or course of
14 business which operates or would operate as a fraud or deceit
15 upon the purchaser.

16 III.

17 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants
18 Silva and Allied Capital and their agents, servants, employees,
19 attorneys, and all persons in active concert or participation
20 with them who receive actual notice of this Final Judgment by
21 personal service or otherwise are permanently restrained and
22 enjoined from violating, directly or indirectly, Section 10(b)
23 of the Securities Exchange Act of 1934 (the "Exchange Act") [15
24 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder
25 [17 C.F.R. § 240.10b-5], by using any means or instrumentality
26 of interstate commerce, or of the mails, or of any facility of
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1 any national securities exchange, in connection with the
2 purchase or sale of any security:

3 (a) to employ any device, scheme, or artifice to defraud;

4 (b) to make any untrue statement of a material fact or to
5 omit to state a material fact necessary in order to make
6 the statements made, in the light of the circumstances

7 under which they were made, not misleading; or

8 (c) to engage in any act, practice, or course of business
9 which operates or would operate as a fraud or deceit upon
10 any person.

11 **ORDER OF DISGORGEMENT AGAINST SILVA AND ALLIED CAPITAL**

12 Defendants Shea Silva and Allied Capital Management having
13 consented to entry of an order of disgorgement against them
14 without admitting or denying the allegations of the Complaint
15 (except as to jurisdiction); waived findings of fact and
16 conclusions of law; and waived any right to appeal from this
17 Final Judgment:

18 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants
19 Silva and Allied Capital shall, jointly and severally, within
20 ten days following entry of this Final Judgment, pay
21 disgorgement in the amount of \$4,630,000.00, representing
22 profits gained as a result of the conduct alleged in the
23 Commission's complaint, together with prejudgment interest
24 thereon in the amount of \$259,337.30, for a total of
25 \$4,889,337.30. Payments under this paragraph shall be made to
26 the Clerk of this Court, together with a cover letter
27 identifying Shea Silva as a defendant in this action; setting

1 forth the title and civil action number of this action and the
2 name of this Court; and specifying that payment is made pursuant
3 to the Order of Injunction and Disgorgement entered in this
4 matter. Silva shall simultaneously transmit photocopies of each
5 such payment and letter to the Commission's counsel in this
6 action. Silva relinquishes all legal and equitable right,
7 title, and interest in such payments, and no part of the funds
8 shall be returned to Silva. The Clerk shall deposit the funds
9 into an interest bearing account with the Court Registry
10 Investment System ("CRIS") or any other type of interest bearing
11 account that is utilized by the Court. These funds, together
12 with any interest and income earned thereon, shall be held in
13 the interest bearing account until further order of the Court.
14 In accordance with 28 U.S.C. § 1914 and the guidelines set by
15 the Director of the Administrative Office of the United States
16 Courts, the Clerk is directed, without further order of this
17 Court, to deduct from the income earned on the money in the Fund
18 a fee equal to ten percent of the income earned on the Fund.
19 Such fee shall not exceed that authorized by the Judicial
20 Conference of the United States. The Commission may propose a
21 plan to distribute the Fund subject to the Court's approval.

22 **PENALTY AGAINST SHEA SILVA**

23 The Securities and Exchange Commission having filed a
24 motion seeking summary judgment on its claim for penalties
25 against defendant Shea Silva and this Court having granted the
26 Commission's motion for the reasons set forth in the Court's
27 minutes of March 27, 2007:

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Shea Silva shall pay a civil penalty in the amount of \$120,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant Silva shall make this payment within ten days after entry of this Final Judgment by certified check, bank cashier's check or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia, 22312, and shall be accompanied by a letter identifying Shea Silva as a defendant in this action, setting forth the title and civil action number of this action and the name of this Court, and specifying that payment is made pursuant to this Final Judgment. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

ORDER OF DISGORGEMENT AGAINST JOANNA BANKS SILVA

The Securities and Exchange Commission having filed a motion seeking summary judgment on its claim for disgorgement against Joanna Banks Silva and this Court having granted the Commission's motion for the reasons set forth in the Court's minutes of March 27, 2007:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Joanna Banks Silva shall, within ten days following entry of this Final Judgment, pay disgorgement in the amount of \$163,000, of ill-gotten gains, together with prejudgment interest thereon in the

amount of \$13,743, for a total of \$176,743. Payments under this paragraph shall be made to the Clerk of this Court, together with a cover letter identifying Joanna Banks Silva as a party in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to the Order of Injunction and Disgorgement entered in this matter. Silva shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action. Silva relinquishes all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Silva. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon, shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval.


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OTHER MATTERS

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Judgment resolves this entire proceeding and that all claims not addressed herein are dismissed.

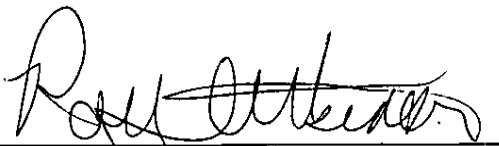
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

Date: 6/25/07


Honorable George P. Schiavelli
United States District Court Judge
For the Central District of California

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1 Respectfully submitted,

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