

ORIGINAL

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

GRAHAM J. LEFFORD,

Defendant

USDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #: 7/12/2007  
DATE FILED: 7/12/2007

06 Civ. 07716 (DAB)

409,1342

**FINAL CONSENT JUDGMENT OF  
PERMANENT INJUNCTION AND OTHER RELIEF  
AS TO DEFENDANT GRAHAM J. LEFFORD**

Plaintiff Securities and Exchange Commission ("Commission") having filed a complaint ("Complaint") on September 26, 2006 alleging that defendant Graham J. Lefford ("Lefford") violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and defendant Lefford having executed the Consent of Defendant Graham J. Lefford ("Consent") annexed hereto and incorporated herein, having acknowledged service of the Summons and Complaint, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having admitted to the jurisdiction of this Court over him and over the subject matter of this action and, without admitting or denying the allegations contained in the Complaint, except as to jurisdiction, which are admitted, and having consented to the entry of this Final Consent Judgment Of Permanent Injunction And Other Relief As To Defendant Graham J. Lefford ("Final Judgment"), without further notice:

**I.**

**IT IS ORDERED, ADJUDGED, AND DECREED** that defendant Lefford is permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (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 the 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,

in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5].

**II.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that defendant Lefford shall disgorge a total of \$34,730.75, representing \$31,450.00 in ill-gotten gains he received as a result of the conduct alleged in the Complaint plus prejudgment interest thereon in the amount of \$3,280.75; and that defendant Lefford shall also pay a civil penalty in the amount of \$31,450.00 pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1(a)].

Defendant Lefford shall satisfy these obligations by paying \$66,180.75 within ten (10) business 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 Graham J. Lefford as the 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. Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action, Joseph Dever, Securities and Exchange Commission, Northeast Regional Office, 3 World Financial Center, Suite 400, New York, New York 10281. Defendant Lefford shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

III.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, pursuant to Rule 65(d) of the Federal Rules of Civil Procedure, this Final Judgment shall be binding upon defendant Lefford, his agents, servants, employees and attorneys, and upon those persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise.

IV.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the provisions of the annexed Consent be, and the same hereby are, incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

V.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, implementing and enforcing the terms and conditions of this Final Judgment.

**CONSENT OF DEFENDANT GRAHAM J. LEFFORD**

1. Defendant Graham J. Lefford ("Lefford"), being fully apprised of his rights, having had the opportunity to confer with legal counsel, having read and understood the terms of the annexed Final Consent Judgment Of Permanent Injunction And Other Relief As To Defendant Graham J. Lefford ("Final Judgment"), appears and admits to the jurisdiction of this Court over him and over the subject matter of this action, waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure and, without further notice, trial or argument, and without admitting or denying the allegations of the Complaint filed by plaintiff Securities and Exchange Commission ("Commission"), except as to jurisdiction, which are admitted, hereby consents to the entry of the annexed Final Judgment.

2. Defendant Lefford agrees that this Consent Of Defendant Graham J. Lefford ("Consent") shall be incorporated by reference in and made part of the Final Judgment to be presented to the Court for signature, filing and entry contemporaneously herewith.

3. Defendant Lefford waives the right, if any, to a jury trial and to appeal from the Final Judgment.

4. Defendant Lefford acknowledges that any violation of any of the terms of the Final Judgment may place him in contempt of this Court and subject him to civil or criminal sanctions.

5. Defendant Lefford acknowledges that he enters into this Consent voluntarily, and that this Consent and the Final Judgment embody the entire understanding of himself and the Commission. Defendant Lefford acknowledges and agrees that this proceeding, and his Consent

to the entry of the Final Judgment, are for the purposes of resolving this civil action only, and that no tender, offer, promise, threat or representation of any kind has been made by the Commission or any member, officer, attorney, agent or representative thereof with regard to: (a) any criminal liability arising from the facts underlying this action; or (b) immunity from any such criminal liability.

6. Defendant Lefford acknowledges that he has been informed and understands that the Commission, at its sole and exclusive discretion, may refer, or grant access to, this matter or any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate administrative, civil, or criminal jurisdiction, if the Commission has not already done so.

7. Defendant Lefford acknowledges that, in conformity with the provisions of 17 C.F.R. § 202.5(f), his Consent and the entry of the annexed Final Judgment do not resolve, affect or preclude any other proceeding that has been or may be brought against him or anyone else. Among other things, defendant Lefford waives any right he may have to assert that, under the Double Jeopardy Clause of the Fifth Amendment to the United States Constitution, the relief sought or consented to in this civil action, including the seeking or imposition of any remedy or civil penalty herein, bars any criminal action, or that any criminal action bars the relief consented to in this action.

8. Defendant Lefford acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to

membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding.

9. Defendant Lefford understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the Complaint or order for proceedings," 17 C.F.R. § 202.5(e). In compliance with this policy, defendant Lefford agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; and (ii) that upon the filing of this Consent, defendant Lefford hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If defendant Lefford breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this provision affects defendant Lefford's (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings in which the Commission is not a party.

10. Defendant Lefford agrees that this Court shall retain jurisdiction of this matter for purposes of implementing and enforcing the terms and conditions of the Final Judgment and for all other purposes.

11. Defendant Lefford hereby consents and agrees that the annexed Final Judgment may be presented by the Commission to the Court for signature and entry without further notice or delay.

12. Defendant Lefford will not oppose the enforcement of the Final Judgment on the

ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

13. Defendant Lefford waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to defendant Lefford of its terms and conditions. Defendant Lefford agrees to execute and provide to the Commission a written declaration pursuant to 28 U.S.C. § 1746 acknowledging his receipt of the Final Judgment no later than twenty (20) days after a copy of the Final Judgment has been delivered to his counsel, Dan Waller, Esq., Secore & Waller, L.L.P., Four Forest Plaza, 12222 Merit Drive, Suite 1350, Dallas, Texas 75251.

14. Defendant Lefford hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by defendant Lefford to defend against this action. For these purposes, defendant Lefford agrees that he is not the prevailing party in this action since the parties have reached a good faith settlement.

15. Defendant Lefford further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any civil penalty amounts that he pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

16. Defendant Lefford agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made

pursuant to any insurance policy, with regard to any civil penalty amounts that defendant Lefford pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

Dated: 3/21, 2007



Graham J. Lefford

On 3/21, 2007, Graham J. Lefford, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

Jenene S. Perry  
Notary Public Jenene S. Perry  
Commission expires: August 3, 2010



SO ORDERED:

Deborah A. Batts  
UNITED STATES DISTRICT JUDGE  
7/12/07

THIS DOCUMENT WAS ENTERED  
ON THE DOCKET ON \_\_\_\_\_

**United States District Court  
Southern District of New York  
Office of the Clerk  
U.S. Courthouse  
500 Pearl Street, New York, N.Y. 10007-1213**

**Date:**

**In Re:**

-v-

**Case #:** ( )

Dear Litigant,

Enclosed is a copy of the judgment entered in your case.

Your attention is directed to Rule 4(a)(1) of the Federal Rules of Appellate Procedure, which requires that if you wish to appeal the judgment in your case, you must file a notice of appeal within 30 days of the date of entry of the judgment (60 days if the United States or an officer or agency of the United States is a party).

If you wish to appeal the judgment but for any reason you are unable to file your notice of appeal within the required time, you may make a motion for an extension of time in accordance with the provision of Fed. R. App. P. 4(a)(5). That rule requires you to show "excusable neglect" or "good cause" for your failure to file your notice of appeal within the time allowed. Any such motion must first be served upon the other parties and then filed with the Pro Se Office no later than 60 days from the date of entry of the judgment (90 days if the United States or an officer or agency of the United States is a party).

The enclosed Forms 1, 2 and 3 cover some common situations, and you may choose to use one of them if appropriate to your circumstances.

The Filing fee for a notice of appeal is \$5.00 and the appellate docketing fee is \$250.00 payable to the "Clerk of the Court, USDC, SDNY" by certified check, money order or cash. **No personal checks are accepted.**

**J. Michael McMahon, Clerk of Court**

by: \_\_\_\_\_

, Deputy Clerk

**APPEAL FORMS**

**United States District Court  
Southern District of New York  
Office of the Clerk  
U.S. Courthouse  
10 Pearl Street, New York, N.Y. 10007-1**

<p>-----X</p> <p>   </p> <p>-----X</p>	<p><b>NOTICE OF APPEAL</b></p> <p>civ. ( )</p>
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Notice is hereby given that \_\_\_\_\_  
(party)  
hereby appeals to the United States Court of Appeals for the Second Circuit from the Judgment [describe it]

entered in this action on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ .  
(day) (month) (year)

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(Signature)

---

(Address)

---

(City, State and Zip Code)

Date: \_\_\_\_\_ (      ) \_\_\_\_\_ - \_\_\_\_\_  
(Telephone Number)

**Note:** You may use this form to take an appeal provided that it is received by the office of the Clerk of the District Court within 30 days of the date on which the judgment was entered (60 days if the United States or an officer or agency of the United States is a party).

**FORM 1**

## **APPEAL FORMS**

**United States District Court  
Southern District of New York  
Office of the Clerk  
U.S. Courthouse  
9 Pearl Street, New York, N.Y. 10007-1**

Pursuant to Fed. R. App. P. 4(a)(5), \_\_\_\_\_ respectfully  
(party)  
requests leave to file the within notice of appeal out of time. \_\_\_\_\_  
(party)  
desires to appeal the judgment in this action entered on \_\_\_\_\_ but failed to file a  
(day)  
notice of appeal within the required number of days because:

[Explain here the “excusable neglect” or “good cause” which led to your failure to file a notice of appeal within the required number of days.]

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(Signature)

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(Address)

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(City, State and Zip Code)

Date: \_\_\_\_\_ (      ) \_\_\_\_\_ - \_\_\_\_\_  
(Telephone Number)

**Note:** You may use this form, together with a copy of Form 1, if you are seeking to appeal a judgment and did not file a copy of Form 1 within the required time. If you follow this procedure, these forms must be received in the office of the Clerk of the District Court no later than 60 days of the date which the judgment was entered (90 days if the United States or an officer or agency of the United States is a party).

**FORM 2**

**APPEAL FORMS**

**United States District Court  
Southern District of New York  
Office of the Clerk  
U.S. Courthouse  
9 Pearl Street, New York, N.Y. 10007-1**

1. Notice is hereby given that \_\_\_\_\_ hereby appeals to  
(party)  
the United States Court of Appeals for the Second Circuit from the judgment entered on \_\_\_\_\_.  
[Give a description of the judgment]

2. In the event that this form was not received in the Clerk's office within the required time

\_\_\_\_ respectfully requests the court to grant an extension of time in  
(party) accordance with Fed. R. App. P. 4(a)(5).

a. In support of this request, \_\_\_\_\_ states that  
(party)  
this Court's judgment was received on \_\_\_\_\_ and that this form was mailed to the  
(date)  
court on \_\_\_\_\_ .  
(date)

(Signature)

(Address)

(City, State and Zip Code)

Date: \_\_\_\_\_ ( ) \_\_\_\_\_-  
(Telephone Number)

**Note:** You may use this form if you are mailing your notice of appeal and are not sure the Clerk of the District Court will receive it within the 30 days of the date on which the judgment was entered (60 days if the United States or an officer or agency of the United States is a party).

### FORM 3

## **APPEAL FORMS**

**United States District Court  
Southern District of New York  
Office of the Clerk  
U.S. Courthouse  
10 Pearl Street, New York, N.Y. 10007-1**

I, \_\_\_\_\_, declare under penalty of perjury that I have served a copy of the attached

upon

whose address is:

Date: \_\_\_\_\_  
New York, New York

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(Signature)

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(Address)

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(City, State and Zip Code)

FORM 4

**APPEAL FORMS**