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**UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

KEVIN H. BLOOD,

Defendant.

Case No. CV10-0731-PHX-SRB

**FINAL JUDGMENT OF
PERMANENT INJUNCTION
AND OTHER RELIEF
AGAINST DEFENDANT KEVIN
H. BLOOD**

The Securities and Exchange Commission having filed a Complaint and Defendant Kevin H. Blood having entered a general appearance, consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this 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:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment

1 by personal service or otherwise are permanently restrained and enjoined from
2 violating Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange
3 Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. §
4 240.10b-5, by the use of any means or instrumentality of interstate commerce, or
5 of the mails, or of any facility of any national securities exchange, in connection
6 with the purchase or sale of any security, by directly or indirectly:

- 7 (a) employing any device, scheme, or artifice to defraud;
- 8 (b) making any untrue statement of a material fact or omitting to state a
9 material fact necessary in order to make the statements made, in the
10 light of the circumstances under which they were made, not
11 misleading; or
- 12 (c) engaging in any act, practice, or course of business which operates or
13 would operate as a fraud or deceit upon any person.

14 **II.**

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
16 Defendant and Defendant’s agents, servants, employees, attorneys, and all persons
17 in active concert or participation with them who receive actual notice of this Final
18 Judgment by personal service or otherwise are permanently restrained and enjoined
19 from violating Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act
20 of 1940 (the “Advisers Act”), 15 U.S.C. §§ 80b-6(1), (2) & (4), and Rule 206(4)-8
21 promulgated thereunder, 17 C.F.R. § 275.206(4)-8, by use of the mails or any
22 means or instrumentality of interstate commerce while acting as an investment
23 adviser as defined in the Advisers Act:

- 24 (a) employing any device, scheme, or artifice to defraud any client or
25 prospective client;
- 26 (b) engaging in any transaction, practice, or course of business which
27 operates as a fraud or deceit upon any client or prospective client;
- 28 (c) engaging in any act, practice, or course of business which is

1 fraudulent, deceptive or manipulative, including by:

- 2 (i) making any untrue statement of a material fact or omitting to
3 state a material fact necessary to make the statements made, in
4 the light of the circumstances under which they were made, not
5 misleading, to any investor or prospective investor in a pooled
6 investment vehicle, as defined by Rule 206(4)-8(b), 17 C.F.R. §
7 275.206(4)-8(b); or
8 (ii) otherwise engaging in any act, practice or course of business
9 that is fraudulent, deceptive, or manipulative with respect to
10 any investor or prospective investor in a pooled investment
11 vehicle.

12 **III.**

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that based on
14 Defendant's sworn representations in his Statement of Financial Condition dated
15 March 15, 2010, and other documents and information submitted to the
16 Commission, the Court is not ordering Defendant to pay a civil penalty. The
17 determination not to impose a civil penalty is contingent upon the accuracy and
18 completeness of Defendant's Statement of Financial Condition. If at any time
19 following the entry of this Final Judgment the Commission obtains information
20 indicating that Defendant's representations to the Commission concerning his
21 assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or
22 incomplete in any material respect as of the time such representations were made,
23 the Commission may, at its sole discretion and without prior notice to Defendant,
24 petition the Court for an order requiring Defendant to pay the maximum civil
25 penalty allowable under the law. In connection with any such petition, the only
26 issue shall be whether the financial information provided by Defendant was
27 fraudulent, misleading, inaccurate, or incomplete in any material respect as of the
28 time such representations were made. In its petition, the Commission may move

1 this Court to consider all available remedies, including, but not limited to, ordering
2 Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions
3 for contempt of this Final Judgment. The Commission may also request additional
4 discovery. Defendant may not, by way of defense to such petition: (1) challenge
5 the validity of the Consent or this Final Judgment; (2) contest the allegations in the
6 Complaint filed by the Commission; (3) assert that payment of a civil penalty
7 should not be ordered; (4) contest the imposition of the maximum civil penalty
8 allowable under the law; or (5) assert any defense to liability or remedy, including,
9 but not limited to, any statute of limitations defense.

10 **IV.**

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

15 **V.**

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

19 **VI.**

20 IT IS FURTHER ORDERED, ADJUGED, AND DECREED that, there
21 being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil
22 Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without
23 further notice.

24 Dated this 1st day of April, 2010.

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28 Susan R. Bolton
United States District Judge