

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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DATE FILED: 7/22/08

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**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**-against-**

**PRINCETON ECONOMICS INTERNATIONAL LTD.,  
PRINCETON GLOBAL MANAGEMENT LTD., and  
MARTIN A. ARMSTRONG,**

**Defendants.**  
----- X

**99 Civ. 9667 (~~KE~~) (PKC)**

**FINAL CONSENT JUDGMENT AS TO  
DEFENDANT MARTIN A. ARMSTRONG**

The Securities and Exchange Commission ("Commission") having filed a Complaint on September 13, 1999, charging that defendant Martin A. Armstrong ("Armstrong" or "Defendant") violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 78q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78q(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5]; and the Commission, having withdrawn its request for disgorgement with prejudgment interest and civil monetary penalties against Armstrong in view the entry of the Judgment on April 10, 2007, in *United States v. Martin A. Armstrong*, 99 CR 997 (JFK) (S.D.N.Y.), which followed Armstrong's guilty plea on August 17, 2006, to one count of conspiracy to commit securities fraud, commodities fraud, wire fraud and money laundering, which sentenced Armstrong to 60 months imprisonment, and which ordered payment of restitution by Armstrong of \$80,000,001.00; and, Armstrong having consented to the Court's jurisdiction over Armstrong and the subject matter of this action, having

consented to the entry of this Final Consent Judgment as to Defendant Martin A. Armstrong ("Final Consent Judgment") without admitting or denying the allegations of the Complaint, except as to jurisdiction, having waived findings of fact and conclusions of law, and having waived any right to appeal from this Final Consent Judgment:

**I.**

**ITS IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Armstrong and Armstrong's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Consent Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, 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], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security;

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**II.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Armstrong and Armstrong's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Consent Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section

17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of 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) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

### III.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, without disturbing the Court's findings of fact and conclusions of law in the civil contempt order entered by the Court, the Court's previous orders imposing an asset freeze over, as well as turn over orders relating to, the personal assets of Defendant and those of his family are dissolved. The asset freeze imposed over the corporate assets under the current possession, custody or control of the Court's receiver shall remain in force and effect until such time as ordered by this Court. However, any distribution of those assets ordered by the Court, including all interest earned on those funds, shall be applied toward satisfying Armstrong's restitution obligations under the criminal judgment and the obligations of the receivership entities. Consistent with Judge Keenan's Order in the criminal case, Armstrong shall receive credit towards satisfaction of the criminal judgment by any and all distributions of these assets and property. Upon resolution of the asset freeze, the SEC will assist the Court, receiver and/or the parties in returning to Armstrong property that belongs to him, to the extent such property, if any, that the Court orders

to be returned to Armstrong is in the possession, custody or control of the SEC. Armstrong further agrees that upon entry of this Final Consent Judgment, Armstrong shall take no action that may hinder or delay the actions of the Receiver to seek and obtain the approval of a plan of distribution. In the event Armstrong takes any actions not in accordance with this Article III, then this Final Consent Judgment will be null and void.

**IV.**

**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 Armstrong shall comply with all of the undertakings and agreements set forth therein.

**V.**

**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 Consent Judgment.

**VI.**

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

**CONSENT OF DEFENDANT MARTIN A. ARMSTRONG**

1. Defendant Martin A. Armstrong (“Armstrong”) acknowledges having been served with the complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Armstrong and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Armstrong admits), Armstrong hereby consents to the entry of the Final Consent Judgment as to Defendant Martin A. Armstrong in the form attached hereto (the “Final Consent Judgment”) and incorporated by reference herein, which, among other things, permanently restrains and enjoins Armstrong from violations of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a), and Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

3. Armstrong agrees that, without disturbing the Court’s findings of fact and conclusions of law in the civil contempt order entered by the Court, the Court’s previous orders imposing an asset freeze over, as well as turn over orders relating to, the personal assets of Defendant and those of his family are dissolved. The asset freeze imposed over the corporate assets under the current possession, custody or control of the Court’s receiver shall remain in force and effect until such time as ordered by the Court. Armstrong shall receive credit towards satisfaction of the criminal judgment in the *United States v. Armstrong*, 99 CR-997 (JFK) (S.D.N.Y.), for any and all distributions made by the Receiver of such assets, including interest earned on them. Upon resolution of the asset freeze, it is agreed that the SEC will assist the Court, receiver and/or the parties in returning to Armstrong property that belongs to him, to the extent that such property, if any, that the Court orders to be returned to Armstrong is in the



possession, custody or control of the SEC. Armstrong further agrees that upon entry of this Final Consent Judgment, Armstrong shall take no action that may hinder or delay the actions of the Receiver to seek and obtain the approval of a plan of distribution. In the event Armstrong takes any actions not in accordance with this paragraph, then the Final Consent Judgment will be null and void.

4. Armstrong waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Armstrong waives the right, if any, to a jury trial and to appeal from the entry of the Final Consent Judgment.

6. Armstrong enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the SEC or any member, officer, employee, agent, or representative of the SEC to induce Armstrong to enter into this Consent.

7. Armstrong agrees that this Consent shall be incorporated into the Final Consent Judgment with the same force and effect as if fully set forth therein.

8. Armstrong will not oppose the enforcement of the Final Consent 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.

9. Armstrong waives service of the Final Consent Judgment and agrees that entry of the Final Consent Judgment by the Court and filing with the Clerk of the Court will constitute notice to Armstrong of its terms and conditions. Armstrong further agrees to provide counsel for

the SEC, within thirty days after the Final Consent Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Armstrong has received and read a copy of the Final Consent Judgment.

10. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Armstrong in this civil proceeding. Armstrong acknowledges that no promise or representation has been made by the SEC or any member, officer, employee, agent, or representative of the SEC with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Armstrong waives any claim of Double Jeopardy based upon the settlement of this proceeding with the SEC. Armstrong further 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. In addition, in any disciplinary proceeding before the SEC based on the entry of the injunction in this action, Armstrong understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

11. Armstrong understands and agrees to comply with the SEC 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, Armstrong 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, Armstrong hereby withdraws any papers filed in this action to the extent they deny any allegation in the complaint. Nothing in this paragraph shall affect Armstrong's: (i) testimonial obligations; or (ii) right to assert legal or factual positions in litigation or other legal proceedings in which the SEC is not a party.

12. Armstrong hereby waives any rights in this action 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 SEC or any official of the SEC acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Armstrong to defend against this action.

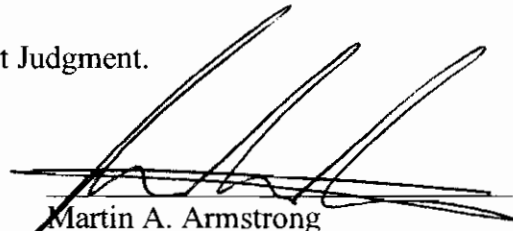
13. Armstrong agrees that the SEC may present the Final Consent Judgment to the Court for signature and entry without further notice.

**[SPACE LEFT INTENTIONALLY BLANK]**



14. Armstrong agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Consent Judgment.

Dated: \_\_\_\_\_

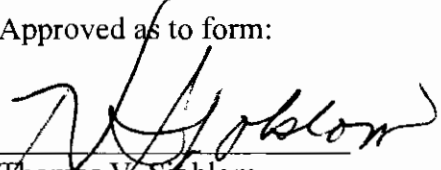
  
Martin A. Armstrong

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss:

The foregoing instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2007, by Martin A. Armstrong, who is personally known to me or has produced a \_\_\_\_\_ or driver's license as identification and who did take an oath.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

Approved as to form:

  
Thomas V. Proskauer  
Proskauer Rose LLP  
1001 Pennsylvania Ave., N.W.,  
Suite 400 South  
Washington, DC 20004

Attorney for Defendant Martin A. Armstrong

**SO ORDERED:**

Dated: July 22, 2008  
New York, New York

  
UNITED STATES DISTRICT JUDGE

**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 \$450.00 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

Docket Support Unit

Revised: April 9, 2006

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

-V-	X	<b>NOTICE OF APPEAL</b>  civ. ( )
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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)

\_\_\_\_\_  
(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**

**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**

-V-

**MOTION FOR EXTENSION OF TIME  
TO FILE A NOTICE OF APPEAL**

civ.

( )

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.]

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(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).

**APPEAL FORMS**

Docket Support Unit

Revised: April 9, 2006

**FORM 2**

**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**

-V-

**NOTICE OF APPEAL  
AND  
MOTION FOR EXTENSION OF TIME**

civ. ( )

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).

**APPEAL FORMS**

Docket Support Unit

Revised: April 9, 2006

**FORM 3**

**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**

-----X  
-V-  
-----X

**AFFIRMATION OF SERVICE**

civ. ( )

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

upon \_\_\_\_\_

whose address is: \_\_\_\_\_

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

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(City, State and Zip Code)

**APPEAL FORMS**

Docket Support Unit

Revised: April 9, 2006