

**UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	Case No. 09-cv-1775
)	
v.)	Jeffrey T. Gilbert
)	Magistrate Judge
)	
THE NUTMEG GROUP, LLC;)	
RANDALL GOULDING; and)	
DAVID GOULDING,)	
)	
Defendants,)	
)	
FINANCIAL ALCHEMY,)	
LLC; PHILLY FINANCIAL, LLC; and)	
ERIC IRRGANG,)	
)	
Relief Defendants.)	

JUDGMENT AS TO DEFENDANT DAVID GOULDING

The Securities and Exchange Commission having filed a Complaint (Docket No. 1) and an Amended Complaint (Docket No. 314) and David Goulding (“Defendant”) 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 Judgment without admitting or denying the allegations of the Amended Complaint (except as to jurisdiction and as to the findings of fact in the Court’s Memorandum Opinion and Order on Summary Judgment (Docket No. 795) (“Summary Judgment Order”)); waived findings of fact and conclusions of law (except as to the findings of fact and conclusions of law in the Summary Judgment Order); and waived any right to appeal from this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting violations of Section 206(1) and (2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. § 80b-6(1) and 80b-6(2)], by knowingly or recklessly providing substantial assistance to an investment adviser, using the means and instrumentalities of interstate commerce or of the mails, to employ devices, schemes, and artifices to defraud clients and prospective clients or engage in transactions, practices, and courses of business which operate as a fraud or deceit upon clients and prospective clients.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant’s officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

II.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting violations of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-8], by knowingly or recklessly providing substantial assistance to an investment adviser, by using the means and instrumentalities of interstate commerce or of the mails, to make untrue statements of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to an investor or prospective investor in the pooled investment vehicle or otherwise engage in acts, practices, or

courses of business that are fraudulent, deceptive, or manipulative with respect to an investor or prospective investor in the pooled investment vehicle.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

III.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting violations of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-2 thereunder [17 C.F.R. § 275.206(4)-2], by knowingly or recklessly providing substantial assistance to an investment adviser, by using the means and instrumentalities of interstate commerce or of the mails, to engage in acts, practices, or courses of business which are fraudulent, deceptive, or manipulative by maintaining custody of client funds or securities without either: engaging a qualified custodian to maintain and segregate those funds or securities, or verifying all of the funds or securities within its custody through an annual, unannounced audit by an independent public accountant.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

IV.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is permanently restrained and enjoined from aiding and abetting violations of Section 204 of the Advisers Act [15 U.S.C. § 80b-4] and Rule 204-2 thereunder [17 C.F.R. § 275.204-2]), by knowingly or recklessly providing substantial assistance to an investment adviser, by using the means and instrumentalities of interstate commerce or of the mails, to not make and keep true, accurate, and current records relating to its business as an investment adviser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Judgment by personal service or otherwise: (a) Defendant's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant or with anyone described in (a).

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay disgorgement and prejudgment interest thereon. The Court shall determine the amount of disgorgement upon motion of the Commission. In connection with the Commission's motion for disgorgement, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Amended Complaint; (b) Defendant may not challenge the validity of the Consent or this Judgment; (c) for the purposes of such motion, the allegations of the Amended Complaint shall be accepted as and deemed true by the Court, except for those allegations based solely on expert opinions excluded by the Court's April 28, 2017 Memorandum and Opinion [Docket No. 880]; and (d) the Court may hold an evidentiary hearing or may determine the issues raised in the motion on the basis of

affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure.

VI.

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

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the allegations in the Amended Complaint are true and admitted by Defendant, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendant under this Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendant of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

VIII.

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.

IX.

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 Judgment forthwith and without further notice.

Dated: _____

January 10, 2018

A handwritten signature in blue ink, appearing to read "Justin L. Dineen", written over a horizontal line.

UNITED STATES DISTRICT COURT
MAGISTRATE JUDGE