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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA*K Ridgeway*
DEPUTY

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4 Securities and Exchange Commission
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9 UNITED STATES DISTRICT COURT
10 SOUTHERN DISTRICT OF CALIFORNIA

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 GLOBAL MONEY
16 MANAGEMENT, L.P.; LF GLOBAL
17 INVESTMENTS, LLC; and
18 MARVIN I. FRIEDMAN,

19 Defendants.

Case No. 04 CV 00521 BTM (WMC)

~~PROPOSED~~ FINAL
JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST DEFENDANT
MARVIN I. FRIEDMAN

177
ENTERED ON SEP 26 2005

1 Plaintiff Securities and Exchange Commission having filed a Complaint,
2 and Defendant Marvin I. Friedman ("Defendant") having entered a general
3 appearance; consented to the Court's jurisdiction over Defendant and the
4 subject matter of this action; consented to entry of this Final Judgment without
5 admitting or denying the allegations of the Complaint (except as to jurisdiction);
6 waived findings of fact and conclusions of law; and waived any right to appeal
7 from this Final Judgment:

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
10 Defendant and Defendant's agents, servants, employees, attorneys, and all
11 persons in active concert or participation with them who receive actual notice of
12 this Final Judgment by personal service or otherwise are permanently restrained
13 and enjoined from violating, directly or indirectly, Section 17(a) of the
14 Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or
15 sale of any security by using any means or instruments of transportation or
16 communication in interstate commerce or by use of the mails:

- 17 (a) to employ any device, scheme, or artifice to defraud;
18 (b) to obtain money or property by means of any untrue statement of a
19 material fact or any omission of a material fact necessary in order
20 to make the statements made, in light of the circumstances under
21 which they were made, not misleading; or
22 (c) to engage in any transaction, practice, or course of business which
23 operates or would operate as a fraud or deceit upon the purchaser.

24 **II.**

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
26 Defendant and Defendant's agents, servants, employees, attorneys, and all
27 persons in active concert or participation with them who receive actual notice of
28 this Final Judgment by personal service or otherwise are permanently restrained

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

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

14 **III.**

15 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that
16 Defendant and Defendant's officers, agents, servants, employees, attorneys, and
17 persons in active concert or participation with them who receive actual notice of
18 this Final Judgment, by personal service or otherwise, are permanently
19 restrained and enjoined from, by the use of the mails or any means or
20 instrumentality of interstate commerce, directly or indirectly:

- 21 A. employing any device, scheme, or artifice to defraud any client or
22 prospective client;
- 23 B. engaging in any transaction, practice, or course of business which
24 operates as a fraud or deceit upon any client or prospective client;

25 in violation of Sections 206(1) and (2) of the Investment Advisers Act of 1940
26 ("Advisers Act"), 15 U.S.C. § 80b-6(1) and (2).

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IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay disgorgement of \$5,464,190.33, representing ill-gotten gains as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$193,475.03, for a total of \$5,657,665.36. Defendant shall satisfy this obligation by paying \$5,657,665.36 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 Marvin I. Friedman 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. A copy of the cover letter shall be simultaneously transmitted to counsel for the Commission in this action at the Commission's Pacific Regional Office in Los Angeles, California.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant 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), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e)(1). Defendant shall make this payment 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,

1 Virginia 22312, and shall be accompanied by a letter identifying Marvin I.
2 Friedman as a defendant in this action; setting forth the title and civil action
3 number of this action and the name of this Court; and specifying that payment is
4 made pursuant to this Final Judgment. A copy of the cover letter shall be
5 simultaneously transmitted to counsel for the Commission in this action at the
6 Commission's Pacific Regional Office in Los Angeles, California.

7 VI.

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
9 Defendant's disgorgement and penalty obligations will be offset by the dollar
10 value of all assignments, transfers or payments made by Defendant pursuant to
11 his Settlement Agreement with the Receiver for Defendants Global Money
12 Management, L.P. and L.F. Global Investments, LLC in this matter, which value
13 shall be as acknowledged by the SEC, as reported by the Receiver to or, in the
14 case of dispute or upon independent application, as determined by the Court.

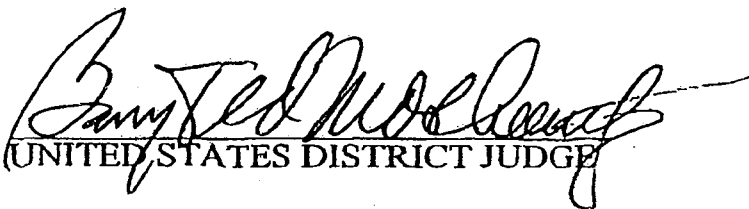
15 VII.

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

20 VIII.

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

24
25 DATED: 8/31/05


UNITED STATES DISTRICT JUDGE

1 **PROOF OF SERVICE**

2 I am over the age of 18 years and not a party to this action. My business address
3 is:

4 ☒ U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire
Boulevard, 11th Floor, Los Angeles, California 90036.

5 Telephone: (323) 965-3998 Fax: (323) 965-3908

6 On August 24, 2005, I served the document entitled **[PROPOSED] FINAL**
7 **JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF**
8 **AGAINST DEFENDANT MARVIN I. FRIEDMAN** upon the parties to this
action addressed as stated on the attached service list:

9 ☒ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for
collection and mailing today following ordinary business practices. I am
10 readily familiar with this agency's practice for collection and processing of
correspondence for mailing; such correspondence would be deposited with
the U.S. Postal Service on the same day in the ordinary course of business.

11 ☐ **PERSONAL DEPOSIT IN MAIL:** By placing in sealed
12 envelope(s), which I personally deposited with the U.S. Postal
Service. Each such envelope was deposited with the U.S. Postal
13 Service at Los Angeles, California, with first class postage thereon
fully prepaid.

14 ☐ **EXPRESS U.S. MAIL:** Each such envelope was deposited in a
15 facility regularly maintained at the U.S. Postal Service for receipt of
Express Mail at Los Angeles, California, with Express Mail postage
16 paid.

17 ☐ **PERSONAL SERVICE:** I caused to be personally delivered each such
envelope by hand to the office of the addressee in the attached service list.

18 ☐ **FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by
19 Federal Express with delivery fees paid or provided for, which I deposited
in a facility regularly maintained by Federal Express or delivered to a
20 Federal Express courier, at Los Angeles, California.

21 ☐ **FACSIMILE (by agreement of parties only):** By transmitting the
document by facsimile transmission. The transmission was reported as
22 complete and without error.

23 ☒ **(Federal)** I declare that I am employed in the office of a member of the bar
24 of this Court, at whose direction the service was made. I declare under
penalty of perjury that the foregoing is true and correct

25 Date: August 24, 2005

26 Magnolia M. Marcelo
MAGNOLIA M. MARCELO

SEC v. GLOBAL MONEY MANAGEMENT, L.P., et al.
United States District Court - Southern District of California
Case No. 04 CV 00521 BTM (WMC)
(LA-2939)

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