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FILED
CLERK, U.S. DISTRICT COURT
AUG 21 2006
CENTRAL DISTRICT OF CALIFORNIA
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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 WESTERN DIVISION

ENTERED
CLERK, U.S. DISTRICT COURT
AUG 22 2006
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 RAINMAKER MANAGED LIVING, LLC,
a New York limited liability company;
17 RAINMAKER MANAGED LIVING, LLC,
a California limited liability company;
18 FURMAN & DILMAGHANI P.C., a New
York professional service corporation;
19 ALIREZA DILMAGHANI; SIDNEY F.
LEVINE; and JAMES JOSEPH CONWAY,

20 Defendants.

Case No. CV 05-6121 SJO (SHx)

~~PROPOSED BY~~ FINAL JUDGMENT
OF PERMANENT INJUNCTION
AND OTHER RELIEF AGAINST
DEFENDANTS FURMAN &
DILMAGHANI P.C. AND SIDNEY
F. LEVINE

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28 THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d)

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SECRET

1 Pursuant to Rule 55 of the Federal Rules of Civil Procedure, the Application
2 of Plaintiff Securities and Exchange Commission for Default Judgment Against
3 Defendants Furman & Dilmaghani P.C. and Sidney F. Levine ("Application")
4 came before this Court for hearing on August 21, 2006. The Court, having
5 considered all evidence and argument in connection with the Application, enters
6 the following Final Judgment:

7 I.

8 IT IS HEREBY ORDERED that the Securities and Exchange Commission's
9 Application is hereby GRANTED.

10 II.

11 IT IS FURTHER ORDERED that defendants Furman & Dilmaghani P.C.
12 ("Furman & Dilmaghani") and Sidney F. Levine ("Levine") and their agents,
13 servants, employees, attorneys, and all persons in active concert or participation
14 with them who receive actual notice of this Final Judgment by personal service or
15 otherwise are permanently restrained and enjoined from violating Section 5 of the
16 Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77e, by directly or
17 indirectly, in the absence of any applicable exemption:

- 18 (a) unless a registration statement is in effect as to a security, making use
19 of any means or instruments of transportation or communication in
20 interstate commerce or of the mails to sell such security through the
21 use or medium of any prospectus or otherwise;
- 22 (b) unless a registration is in effect as to a security, carrying or causing to
23 be carried through the mails or in interstate commerce, by any means
24 or instruments of transportation, any such security for the purpose of
25 sale or for delivery after sale; or
- 26 (c) making use of any means or instruments of transportation or
27 communication in interstate commerce or of the mails to offer to sell
28 or offer to buy through the use or medium of any prospectus or

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1 otherwise any security, unless a registration statement has been filed
2 with the Securities and Exchange Commission as to such security, or
3 while the registration statement is the subject of a refusal order or
4 stop order or (prior to the effective date of the registration statement)
5 any public proceeding or examination under Section 8 of the
6 Securities Act, 15 U.S.C. § 77h.

7 **III.**

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

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

23 **IV.**

24 IT IS FURTHER ORDERED that Furman & Dilmaghani and Levine and
25 their agents, servants, employees, attorneys, and all persons in active concert or
26 participation with them who receive actual notice of this Final Judgment by
27 personal service or otherwise are permanently restrained and enjoined from
28 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of

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

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

12 **V.**

13 IT IS FURTHER ORDERED that Levine shall be liable for disgorgement of
14 \$4,294,601, representing proceeds gained as a result of the conduct alleged in the
15 Complaint, together with prejudgment interest thereon in the amount of
16 \$11,967.86, for a total of \$4,306,568.86. Levine shall satisfy this obligation by
17 paying \$4,306,568.86 within ten (10) business days to Rainmaker Managed Living
18 c/o the permanent receiver, John Cotton, Cotton & Gundzik LLP, 801 South
19 Figueroa Street, 12th Floor, Los Angeles, CA 90017, together with a cover letter
20 specifying that payment is made pursuant to this Final Judgment. Levine shall
21 simultaneously transmit photocopies of such payment and letter to the
22 Commission's counsel in this action. By making this payment, Levine relinquishes
23 all legal and equitable right, title, and interest in such funds, and no part of the
24 funds shall be returned to Levine. Levine shall pay post-judgment interest on any
25 delinquent amounts pursuant to 28 U.S.C. § 1961.

26 **VI.**

27 IT IS FURTHER ORDERED that Levine shall pay a civil penalty in the
28 amount of \$130,000 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §

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1 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Levine
2 shall make this payment within ten (10) business days after entry of this Final
3 Judgment by certified check, bank cashier's check, or United States postal money
4 order payable to Rainmaker Managed Living c/o the permanent receiver, John
5 Cotton, Cotton & Gundzik LLP, 801 South Figueroa Street, 12th Floor, Los
6 Angeles, CA 90017. Levine shall pay post-judgment interest on any delinquent
7 amounts pursuant to 28 U.S.C. § 1961.


8 **VII.**

9 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
10 matter for the purposes of enforcing the terms of this Final Judgment and for
11 purposes of administering the receivership.

12 **VIII.**

13 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
14 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
15 forthwith and without further notice.

16
17 DATED: 8/21, 2006

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19 _____
20 HONORABLE S. JAMES OTERO
21 UNITED STATES DISTRICT JUDGE
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PROOF OF SERVICE

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

[X] U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On July 31, 2006, I served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANTS FURMAN & DILMAGHANI P.C. AND SIDNEY F. LEVINE** upon the parties to this action addressed as stated on the attached service list:

[X] **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am 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.

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

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

[] **HAND DELIVERY:** I caused to be hand delivered such envelope/document to each addressee on the attached service list.

[X] **FEDERAL EXPRESS BY AGREEMENT WITH DEFENDANT ALIREZA DILMAGHANI:** By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

[X] **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

[] **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

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

Date: July 31, 2006

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

SEC v. RAINMAKER MANAGED LIVING, LLC, et al.
United States District Court – Central District of California
Case No. CV 05-6121 SJO (SHx)
(LA-3107)

SCANNED

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Receiver for Defendants Rainmaker Managed Living, LLC, a New York limited liability company, and Rainmaker Managed Living, LLC, a California limited liability company