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Priority

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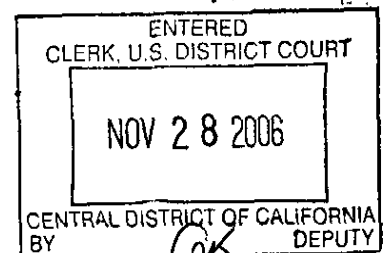
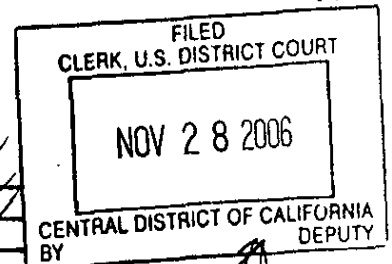
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9
10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 SECURITIES AND EXCHANGE
 COMMISSION,

13 Plaintiff,

14
15
16 CREDIT FIRST FUND, LP, a California
 limited partnership, CREDIT FIRST, LLC,
 17 a California limited liability company,
 CREDIT FIRST INCOME PLUS, LLC, a
 18 California limited liability company,
 INVESTORS FIRST FINANCIAL
 SERVICES, INC., a California corporation,
 19 and INVESTORS GUILD, INC., a
 California corporation, and DAVID R.
 20 LUND.

21 Defendants.

Case No. CV05-8741 DSF (PJWx)

**[PROPOSED] FINAL
 JUDGMENT AGAINST
 DEFENDANT DAVID R. LUND**

22
 23 The Securities and Exchange Commission ("Commission") having filed a
 24 Complaint and Defendant David R. Lund ("Lund" or "Defendant") having entered
 25 a general appearance; consented to the Court's jurisdiction over him and the
 26 subject matter of this action; consented to entry of this Final Judgment without
 27 admitting or denying the allegations of the Complaint (except as to jurisdiction,
 28 which Defendant admits); waived the entry of findings of fact and conclusions of

CC: FISCAL

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

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1 law; and waived any right to appeal from this Final Judgment:

2 **I.**

3 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
4 and his agents, servants, employees, attorneys, and all persons in active concert or
5 participation with them who receive actual notice of this Final Judgment by
6 personal service or otherwise are permanently restrained and enjoined from
7 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
8 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
9 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
10 interstate commerce, or of the mails, or of any facility of any national securities
11 exchange, in connection with the purchase or sale of any security:

- 12 (a) To employ any device, scheme, or artifice to defraud;
- 13 (b) To make any untrue statement of a material fact or to omit to state a
14 material fact necessary in order to make the statements made, in the
15 light of the circumstances under which they were made, not
16 misleading; or
- 17 (c) To engage in any act, practice, or course of business which operates or
18 would operate as a fraud or deceit upon any person.

19 **II.**

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendant and his agents, servants, employees, attorneys, and all persons in active
22 concert or participation with them who receive actual notice of this Final Judgment
23 by personal service or otherwise are permanently restrained and enjoined from
24 violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15
25 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or
26 instruments of transportation or communication in interstate commerce or by use
27 of the mails, directly or indirectly:

- 28 (a) To employ any device, scheme, or artifice to defraud;

- 1 (b) To obtain money or property by means of any untrue statement of a
2 material fact or any omission of a material fact necessary in order to
3 make the statements made, in light of the circumstances under which
4 they were made, not misleading; or
- 5 (c) To engage in any transaction, practice, or course of business which
6 operates or would operate as a fraud or deceit upon the purchaser.

7 **III.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
9 Defendant and his agents, servants, employees, attorneys, and all persons in active
10 concert or participation with them who receive actual notice of this Final Judgment
11 by personal service or otherwise are permanently restrained and enjoined from
12 violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by, directly or indirectly,
13 in the absence of any applicable exemption:

- 14 (a) Unless a registration statement is in effect as to a security, making use
15 of any means or instruments of transportation or communication in
16 interstate commerce or of the mails to sell such security through the
17 use or medium of any prospectus or otherwise;
- 18 (b) Unless a registration statement is in effect as to a security, carrying or
19 causing to be carried through the mails or in interstate commerce, by
20 any means or instruments of transportation, any such security for the
21 purpose of sale or for the delivery after sale; or
- 22 (c) Making use of any means or instruments of transportation or
23 communication in interstate commerce or of the mails to offer to sell
24 or offer to buy through the use or medium of any prospectus or
25 otherwise any security, unless a registration statement has been filed
26 with the Commission as to such security, or while the registration
27 statement is the subject of a refusal order or stop order or (prior to the
28 effective date of the registration statement) any public proceeding or

examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Lund shall pay disgorgement of \$309,170.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$11,809.71, for a total of \$320,979.71, and a civil penalty in the amount of \$120,000.00 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78(u)(d)(3). Lund shall satisfy this obligation by paying the total amount of \$440,979.71 in three installments according to the following schedule: (1) \$160,000.00 within five days of entry of this Final Judgment; (2) \$140,489.86 within 180 days of entry of this Final Judgment; and (3) \$140,489.85 within one year of entry of this Final Judgment, plus postjudgment interest of 5.17%. If Lund fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including postjudgment interest, minus any payments made, shall become due and payable immediately without further application to the Court. All payments shall be made to Thomas F. Lennon, in his capacity as Court-appointed Receiver in this case, by certified check, bank cashier's check or United States postal money order. The payments shall be delivered or mailed to the offices of Thomas F. Lennon, Inc., 7777 Alvarado Road, Suite 712, La Mesa, California 91941-3688, and shall be accompanied by a cover letter identifying Lund 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. Lund shall simultaneously transmit photocopies of each payment and letter to the Commission's counsel in this action. By making these payments, Lund relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Lund. The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt

SCANNED

(and/or through other collection procedures authorized by law). In response to any such civil contempt motion by the Commission, Lund may assert any legally permissible defense. Lund shall also pay postjudgment interest pursuant to 28 U.S.C. § 1961 on the initial payment of \$160,000.00, should it be delinquent. The \$280,979.71 of Lund's obligation, due in two installment payments of \$140,489.86 and \$140,489.85 within 180 days and one year of entry of this Final Judgment respectively, shall be evidenced by a Note and secured by a Deed of Trust on Lund's real properties, located at 3711 ½ W. Balboa Boulevard, Newport Beach, CA 92663, and 13551 Belle Rive, Santa Ana, CA 92705. The Receiver is authorized to exercise any of his rights and remedies under the Note and the Deed of Trust immediately upon any of these final payments becoming delinquent or upon any default under the Note or the Deed of Trust. Lund shall also pay interest of 7.17% on any delinquent amounts evidenced by the Note and secured by the Deed of Trust.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Commission may by motion propose a plan to distribute all funds paid by Lund (the "Fund") pursuant to this Final Judgment, subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002, including to the Receiver for ultimate distribution pursuant to a plan proposed either by the Receiver or the Commission and approved by the Court. Regardless of whether any such Fair Fund distribution is made, the amount ordered to be paid as a civil penalty pursuant to this Final Judgment shall be treated as a penalty paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages

award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the Court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Final Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Paragraph VI. of the Preliminary Injunction Order and Orders: (1) Freezing Assets; (2) Appointing a Permanent Receiver; (3) Prohibiting the Destruction of Documents; (4) for Accountings, and Other Legal and Equitable Relief, entered February 13, 2006 ("Order of Preliminary Injunction"), shall remain in full force and effect as to Defendant Lund until Lund makes the initial payment ordered in paragraph IV.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant will permanently relinquish all claims of any interest in the ownership or assets of Beck's Creek Corporation, which entity is subject to the control of the Receiver pursuant to the Order of Preliminary Injunction and the Order Granting Receiver's Motion for Order Authorizing: (1) Winding Down of Operations of Beck's Creek Corp.; and (2) Sale of Office Furniture of Beck's Creek Corp., dated May 22, 2006.

*

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that paragraphs VII. through XIII. of the Order of Preliminary Injunction, which govern the conduct of the receivership in this action, shall remain in full force and effect until further order of this Court.

IX.

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.

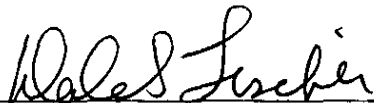
X.

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.

XI.

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 Judgment forthwith and without further notice.

Dated: 11-27-06


THE HONORABLE DALE S. FISCHER
UNITED STATES DISTRICT JUDGE

PROOF OF SERVICE

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

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

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3812.

On November 20, 2006, I served the document entitled **[PROPOSED] FINAL JUDGMENT AGAINST DEFENDANT DAVID R. LUND** upon the parties to this action addressed as stated on the attached service list:

☒ **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.

☐ **FEDERAL EXPRESS BY COURT ORDER:** 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.

☐ **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.

☒ **(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: November 20, 2006

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

SEC v. CREDIT FIRST FUND, L.P. et al.
United States District Court – Central District of California
Case No. CV 05-8741 DSF(PJWx)
(LA-3124)

SERVICE LIST

SERVICE BY U.S. MAIL:

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Attorney for Defendant David R. Lund

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Income Plus, LLC, Investors First Financial Services, Inc., and
Investors Guild, Inc.*

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Defendants Credit First Fund, LP, Credit First, LLC, Credit First
Income Plus, LLC, Investors First Financial Services, Inc., and
Investors Guild, Inc.*

NOTICE PARTY SERVICE LIST

Case No. CV05-8741-DSF Case Title SEC-V-CREDIT FIRST FUND, et al
 Title of Document Final Jgmt Against Dft David R. Lunt

	Atty Sttlmnt Officer Panel Coordinator
	BAP (Bankruptcy Appellate Panel)
	Beck, Michael J (Clerk, MDL Panel)
	BOP (Bureau of Prisons)
	CA St Pub Defender (Calif. State PD)
	CAAG (California Attorney General's Office - Keith H. Borjon, L.A. Death Penalty Coordinator)
	Case Asgmt Admin (Case Assignment Administrator)
	Catterson, Cathy (9 th Circuit Court of Appeal)
	Chief Deputy Admin
	Chief Deputy Ops
	Clerk of Court
	Death Penalty H/C (Law Clerks)
	Dep In Chg E Div
	Dep In Chg So Div
	Federal Public Defender
X	Fiscal Section
	Intake Section, Criminal LA
	Intake Section, Criminal SA
	Intake Supervisor, Civil
	Interpreter Section
	PIA Clerk - Los Angeles (PIALA)
	PIA Clerk - Riverside (PIAED)
	PIA Clerk - Santa Ana (PIASA)
	PSA - Los Angeles (PSALA)
	PSA - Riverside (PSAED)
	PSA - Santa Ana (PSASA)
	Schnack, Randall (CJA Supervising Attorney)

	Statistics Clerk
	US Attorneys Office - Civil Division -L.A.
	US Attorneys Office - Civil Division - S.A.
	US Attorneys Office - Criminal Division -L.A.
	US Attorneys Office - Criminal Division -S.A.
	US Bankruptcy Court
	US Marshal Service - Los Angeles (USMLA)
	US Marshal Service - Riverside (USMED)
	US Marshal Service -Santa Ana (USMSA)
	US Probation Office (USPO)
	US Trustee's Office
	Warden, San Quentin State Prison, CA

ADD NEW NOTICE PARTY (if sending by fax, mailing address must also be provided)	
Name:	
Firm:	
Address (include suite or floor):	
*E-mail:	
*Fax No.:	

* For CIVIL cases only

JUDGE / MAGISTRATE JUDGE (list below):

Initials of Deputy Clerk

