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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

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CENTRAL DISTRICT OF CALIFORNIA
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SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

RENAISSANCE ASSET FUND, INC.,
RONALD J. NADEL and JOSEPH M.
MALONE

Defendants.

Case No. SACV06-661-JVS (ANx)
FINAL JUDGMENT AS TO DEFENDANT
JOSEPH M. MALONE

Before the Honorable
JAMES V. SELNA
United States District Court
Judge for the Central District
of California

The Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant Joseph M. Malone ("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 Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)(2) and 15 U.S.C.

U.S. DISTRICT COURT

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1 §77q(a)(3)] in the offer or sale of any security by the use of
2 any means or instruments of transportation or communication in
3 interstate commerce or by use of the mails, directly or
4 indirectly:

5 (a) to obtain money or property by means of any untrue
6 statement of a material fact or any omission of a material
7 fact necessary in order to make the statements made, in
8 light of the circumstances under which they were made, not
9 misleading; or

10 (b) to engage in any transaction, practice, or course of
11 business which operates or would operate as a fraud or
12 deceit upon the purchaser.

13 II.

14 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
15 Defendant and Defendant's agents, servants, employees, and all
16 persons in active concert or participation with them who receive
17 actual notice of this Final Judgment by personal service or
18 otherwise are permanently restrained and enjoined from violating
19 Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or
20 indirectly, in the absence of any applicable exemption:

21 (a) Unless a registration statement is in effect as to a
22 security, making use of any means or instruments of
23 transportation or communication in interstate commerce
24 or of the mails to sell such security through the use
25 or medium of any prospectus or otherwise;
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1 (b) Unless a registration statement is in effect as to a
2 security, carrying or causing to be carried through the
3 mails or in interstate commerce, by any means or
4 instruments of transportation, any such security for
5 the purpose of sale or for delivery after sale; or

6 (c) Making use of any means or instruments of
7 transportation or communication in interstate commerce
8 or of the mails to offer to sell or offer to buy
9 through the use or medium of any prospectus or
10 otherwise any security, unless a registration statement
11 has been filed with the Commission as to such security,
12 or while the registration statement is the subject of a
13 refusal order or stop order or (prior to the effective
14 date of the registration statement) any public
15 proceeding or examination under Section 8 of the
16 Securities Act [15 U.S.C. § 77h].
17

18 III.

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
20 Defendant and Defendant's agents, servants, employees, and all
21 persons in active concert or participation with them who receive
22 actual notice of this Final Judgment by personal service or
23 otherwise are permanently restrained and enjoined from violating
24 Section 15(a) of the Exchange Act [15 U.S.C. § 78o] by acting as
25 a broker or dealer (other than such a broker or dealer whose
26 business is exclusively intrastate and who does not make use of
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1 any facility of a national securities exchange) and making use of
2 the mails or any means or instrumentality of interstate commerce
3 to effect any transactions in, or to induce or attempt to induce
4 the purchase or sale of, any security (other than an exempted
5 security or commercial paper, bankers' acceptances, or commercial
6 bills) unless he is registered as provided by law.

7 IV.

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
9 Defendant is liable for disgorgement of \$230,000 representing
10 profits gained as a result of the conduct alleged in the
11 Complaint, together with prejudgment interest thereon in the
12 amount of \$92,955 or a total of \$322,955. Based on Defendant's
13 sworn representations in his Statement of Financial Condition
14 dated April 20, 2007, and other documents and information
15 submitted to the Commission, however, the Court is not ordering
16 Defendant to pay a civil penalty and payment of the disgorgement
17 and pre-judgment interest thereon is waived. The determination
18 not to impose a civil penalty and to waive payment of the
19 disgorgement and pre-judgment interest is contingent upon the
20 accuracy and completeness of Defendant's Statement of Financial
21 Condition. If at any time following the entry of this Final
22 Judgment the Commission obtains information indicating that
23 Defendant's representations to the Commission concerning his
24 assets, income, liabilities, or net worth were fraudulent,
25 misleading, inaccurate, or incomplete in any material respect as
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1 of the time such representations were made, the Commission may,
2 at its sole discretion and without prior notice to Defendant,
3 petition the Court for an order requiring Defendant to pay the
4 unpaid portion of the disgorgement, pre-judgment and post-
5 judgment interest thereon, and the maximum civil penalty
6 allowable under the law. In connection with any such petition,
7 the only issue shall be whether the financial information
8 provided by Defendant was fraudulent, misleading, inaccurate, or
9 incomplete in any material respect as of the time such
10 representations were made. In its petition, the Commission may
11 move this Court to consider all available remedies, including,
12 but not limited to, ordering Defendant to pay funds or assets,
13 directing the forfeiture of any assets, or sanctions for contempt
14 of this Final Judgment. The Commission may also request
15 additional discovery. Defendant may not, by way of defense to
16 such petition: (1) challenge the validity of the Consent or this
17 Final Judgment; (2) contest the allegations in the Complaint
18 filed by the Commission; (3) assert that payment of disgorgement,
19 pre-judgment and post-judgment interest or a civil penalty should
20 not be ordered; (4) contest the amount of disgorgement and pre-
21 judgment and post-judgment interest; (5) contest the imposition
22 of the maximum civil penalty allowable under the law; or (6)
23 assert any defense to liability or remedy, including, but not
24 limited to, any statute of limitations defense.
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V.

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

6
7 VI.

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

11 VII.

12 There being no just reason for delay, pursuant to Rule 54(b)
13 of the Federal Rules of Civil Procedure, the Clerk is ordered to
14 enter this Final Judgment forthwith and without further notice.
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16 Dated: 9.4, 07

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19 UNITED STATES DISTRICT JUDGE
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Approved as to form:

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David Zisser
Isaacson Rosenbaum PC
633 17th Street, Suite 2200
Denver, Colorado 80202
Attorney for Joseph M. Malone

Approved as to form:



Christopher Friedman
Polly Atkinson
1801 California Street, Suite 1500
Denver, Colorado 80202
Attorneys for United States
Securities and Exchange Commission