UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MICHAEL R. BRETZEL, LAWRENCE FORD, II, REAL ESTATE FUND, LLC and HERITAGE FUNDING GROUP, INC.,

Defendants,

and

SEABREEZE REALTY GROUP, INC. d/b/a COASTAL PROPERTIES, ORMOND BEACH AUTO SALES, INC. d/b/a LIBERTY AUTOMOTIVE GROUP, and DEALER LOT MANAGEMENT, INC.,

Relief Defendants.

CIVIL ACTION FILE NO. 6:07-cv-609-orl-22DAB

FINAL JUDGMENT AS TO DEFENDANTS MICHAEL R. BRETZEL, LAWRENCE FORD, II, AND RELIEF DEFENDANTS SEABREEZE REALTY GROUP, INC. d/b/a COASTAL PROPERTIES, ORMOND BEACH AUTO SALES, INC. d/b/a LIBERTY AUTOMOTIVE GROUP, AND DEALER LOT MANAGEMENT, INC.

This matter is pending before the Court for a determination of the amounts of disgorgement, prejudgment interest, and civil penalties to be awarded against

Defendants Michael R. Bretzel ("Bretzel") and Lawrence Ford, II ("Ford"), and the amounts of disgorgement and prejudgment interest to be awarded against Relief Defendants Seabreeze Realty Group, Inc. d/b/a Coastal Properties ("Coastal"), Ormond Beach Auto Sales, Inc. d/b/a Liberty Automotive Group ("Liberty"), and Dealer Lot Management, Inc. ("Dealer Lot") (collectively, "Relief Defendants"), upon motion of Plaintiff Securities and Exchange Commission ("Commission"). On May 23, 2008, this Court entered separate Orders against Bretzel, Ford, and the Relief Defendants with their respective consent. [Doc. Nos. 77, 78, 81]. The Orders against Bretzel and Ford permanently enjoined them from violations of the provisions charged in the Complaint and provided that the Court shall determine the amount of disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty, if any, that Bretzel and Ford shall pay, 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. § 78u(d)(3)], upon motion of the Commission. The Order against the Relief Defendants provided that the Court shall determine the amount of unjust enrichment and prejudgment interest thereon, if any, that the Relief Defendants shall pay. Each of the May 23, 2008 Orders provided that, for the purpose of the motion before this Court, the allegations of the Complaint are to be accepted as and deemed true. Finally, each of the May 23, 2008 Orders specified that prejudgment

interest would be calculated on the amount of any disgorgement ordered by this Court on the instant motion from January 1, 2007.

Accordingly, for the purposes of the instant motion, the Court accepts the following allegations of the Complaint as true:

1. From approximately February 2003 through January 2007, Bretzel, Ford, Real Estate Fund, and Heritage orchestrated a fraudulent scheme which raised approximately $21 million in securities from over 200 investors. In connection with the offerings, the Defendants made fraudulent misrepresentations and omissions concerning the use of the proceeds raised through offerings by Real Estate Fund and Heritage and the commissions paid to the broker dealer who solicited investors. During part of their respective offerings, Real Estate Fund and Heritage operated as Ponzi schemes.

2. Heritage was incorporated by Bretzel in Florida in 1999 as Daytona Beach Finance Corporation, and changed its name to Heritage in 2003. Ford was the President, Chief Financial Officer, and Secretary of Heritage, and Bretzel was an officer and director of Heritage until April 2003. Heritage was a specialty finance company primarily engaged in purchasing and servicing installment contracts originated by dealers for financing the sale of pre-owned automobiles. Heritage filed for Chapter 11 bankruptcy protection in February of 2007 in In re

Heritage Funding Group, Inc., Chapter 11 Case No. 3:07-bk-00492-JAF (Bankr., M.D. Fla.).

3. Real Estate Fund was formed on May 4, 2004. Bretzel owned a controlling interest in Real Estate Fund and its managing member, Real Estate Management Services, Inc. Real Estate Fund's primary business was to acquire fee interests in income producing commercial, industrial, residential, and investment properties.1

4. Ford was the President, Chief Financial Officer, and Secretary of Heritage. Ford is a long-time friend of Bretzel and, prior to forming Heritage, Ford worked as the finance manager for a car dealership owned by Bretzel.

5. Bretzel was the majority owner of Real Estate Fund and was the principal of its managing director. Bretzel was an officer and director of Heritage until 2003.

6. Coastal is a real estate development company owned by Bretzel that was formed in December 2004. Coastal, by virtue of its conduct and/or Bretzel's conduct, directly or indirectly received illegally-obtained investor funds that were raised in connection with the Real Estate Fund's offering in the form of "loans,"

without consideration given, and to which Coastal had no legitimate claim. Coastal has been unjustly enriched by these "loans" in the amount of at least $456,003.

7. Liberty is a car dealership formed in or around 1997 and owned by Bretzel. Liberty, by virtue of its conduct and/or Bretzel's conduct, directly or indirectly received illegally-obtained investor funds that were raised in connection with the funds that Heritage raised from its note offering in the form of "loans," without consideration given, and to which Liberty had no legitimate claim. Liberty has been unjustly enriched by these "loans" in the amount of at least $2,696,678.

8. Dealer Lot was formed in April 2003 and is owned by Bretzel. Dealer Lot, by virtue of its conduct and/or Bretzel's conduct, directly or indirectly received illegally-obtained investor funds that were raised in connection with the funds that Heritage raised from its note offering in the form of "loans," without consideration given, and to which Dealer Lot had no legitimate claim. Dealer Lot has been unjustly enriched by these "loans" in the amount of at least $678,111.

9. From February 2003 until its bankruptcy filing on February 8, 2007, Heritage offered $25 million of promissory notes to investors through a "private placement." Bretzel retained I.C.R. Financial Center, Inc. ("ICR"), headquartered in La Jolla, California, to solicit investors for Heritage's offering, provided the Private Placement Memorandum ("PPM") to ICR, and was aware of the contents of

the Heritage PPM. Ford as sole owner, President, Chief Financial Officer and Secretary of Heritage was aware of the contents of the Heritage PPM. Bretzel and/or Ford directed ICR to sell the Heritage instruments.

10. Heritage's notes supposedly paid 15% interest per annum, payable monthly, quarterly, or annually at the election of the investor. The minimum investment was $50,000 and the investor had the right to select a maturity date of one through 5 years from the date of issuance.

11. As of December 31, 2006, ICR had raised approximately $13,159,423 for Heritage from approximately 146 investors, who are located throughout the U.S.

12. Heritage's PPM for this offering made at least three misrepresentations.

13. First, the Heritage PPM stated that "the net proceeds from the sale of the Notes will be used to purchase installment contracts originated by automobile dealers for financing the sale of pre-owned motor vehicles." In reality, Heritage "loaned" approximately $3.6 million of investor proceeds (27% of the total proceeds raised) to entities owned by Bretzel, including to Liberty and Dealer.

14. Heritage also "loaned" money to Big Investment Group ("Big"), an entity that has no formal existence, such as a corporation or an LLC. Bretzel and

Big used these proceeds to pay certain operating costs for Liberty and/or the Real Estate Fund.

15. As a second misrepresentation, the Heritage PPM states that the installment contracts purchased by Heritage were "secured by the motor vehicles purchased." In reality, many of the installment contracts were unsecured.

16. As a third misrepresentation, the Heritage PPM states that Heritage will pay "commissions or finder's fees in an amount not to exceed 10% of the applicable sales . . . ." In truth, Heritage has paid $2.8 million in commissions, representing 21.7% of the total proceeds raised.

17. Heritage has also operated as a Ponzi scheme. During 2005, Heritage reported gross profits of $1.6 million, but paid $2.3 million to investors. In 2005 and 2006, Heritage did not generate sufficient income from its operations to pay the interest on the notes issued to investors. During that time, Heritage used new investor funds to pay the "preferred returns" or interest owed to other investors. Ford and Bretzel were aware of this practice but did not disclose it to investors or prospective investors.

18. From June 2004 through January 2007, Real Estate Fund offered 6,000 membership "units," with a purchase price of $5,000 per unit (for a total of $30 million). Bretzel retained ICR to solicit investors for Real Estate Fund's

offering, provided the Real Estate Fund Private Placement Memorandum ("PPM") to ICR, and was aware of the contents of the Real Estate Fund PPM. Further, Real Estate Management Services, Inc., a company owned by and under the control of Bretzel, served as the Managing Member of Real Estate Fund, and Bretzel, as the controlling person of the managing member, and was aware of the terms and contents of Real Estate Fund's PPM.

19. Although Real Estate Fund offered membership units, the private PPM specified that all decisions would be made by the managing member and that investors "will have no say in or management." The minimum investment was 20 units or $100,000.

20. As of December 2006, Real Estate Fund had raised approximately $7.6 million from approximately 70 investors throughout the United States.

21. Real Estate Fund's PPM made at least three misrepresentations or omissions. First, the PPM states that Real Estate Fund would use approximately 92% of investor proceeds to acquire interests in real estate. In truth, the Real Estate Fund "loaned" approximately $1.38 million of investor proceeds (18% of the total funds raised) to Bretzel, to other companies that Bretzel owns, or to Ford.

22. Bretzel used the loans to his companies and him to pay mortgages on or to renovate various properties that Bretzel or his companies owned. These

properties were not purchased with investor funds and Bretzel knew that Real Estate Fund had no interest in these properties. Bretzel could provide no promissory notes evidencing these loans, nor could he identify the repayment terms or interest rates on these loans.

23. As a second misrepresentation, the Real Estate Fund PPM states that Real Estate Fund would hold title to the property that it acquired with investor funds. However, substantially all of the properties acquired with investor funds were titled in Bretzel's individual name.

24. As a third misrepresentation, between June 2004 and July 2006 the Real Estate Fund PPM represented that the Real Estate Fund would pay an 8% commission to broker dealers who sold Real Estate Fund units. In truth, however, Real Estate Fund paid a commission rate of 16%.

25. Real Estate Fund revised its PPM on or around July 1, 2006 in an attempt to correct this misrepresentation. The revised PPM disclosed that the Real Estate Fund would pay a 16% commission rate.

26. Real Estate Fund operated as a Ponzi scheme. Since the revenue from the real estate investments did not generate sufficient income, as early as June 2006, Bretzel began using new investor funds to pay returns to other investors.

Real Estate Fund investors were never told that the venture operated as a Ponzi scheme.

The Court also finds that the Commission has presented evidence proving the facts set forth below by a preponderance of the evidence:

27. Heritage disbursed $150,000 in funds raised from investors on a note that Bretzel signed in November or December 2006. The note was never repaid.

28. On October 28, 2004, Heritage diverted $14,000 in investor funds to Bretzel to cover maintenance costs on real estate that Bretzel personally owned in Pennsylvania.

29. As of January 2006, Heritage's ledger reflected a balance due of $298,634 owed by Big Investment consisting principally of charges by Bretzel on a Heritage Visa debit card.

30. Heritage's ledger reflects an additional balance due from Bretzel of $4,748.65 from personal charges made by Bretzel on a Heritage Visa debit card including ATM withdrawals, airline tickets, and hotel charges.

31. In 2004, Ford received a one-time distribution from Liberty in the amount of $50,000, even though Ford illegally diverted approximately $2.5 million in uncollateralized funds from Heritage to Liberty in order to fund Liberty's operations, and (2) Liberty suffered substantial losses in 2004.

32. In September 2005, Ford received a $150,000 payment as part of a purported $2,097,000 buy-out of his interest in Big Investment by Bretzel pursuant to a Limited Liability Company Interest Purchase Agreement dated September 1, 2005. Investor funds had been illegally diverted from the proceeds of the Heritage PPM offering to Big Investment in order to purchase properties on the purported understanding that any investment return realized on the properties would be returned to Heritage. The buy-out would have allowed Ford to reap the benefit of the equity gains on properties that Big Investment was purportedly holding for the benefit of Heritage, while Bretzel would remain responsible for the debt associated with the properties.

Based on the foregoing findings of fact, the Court hereby imposes the following relief:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants Bretzel, Ford, and their respective agents, servants, employees, attorneys, 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, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5

promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

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

(b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or

(c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Bretzel, Ford, and their respective agents, servants, employees, attorneys, 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) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

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

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

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

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Bretzel is liable for disgorgement of $4,248,174, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of $826,650, and a civil penalty in the amount of $ 6,500 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. § 78u(d)(3)]. Of the $4,248,174 in disgorgement imposed on Defendant Bretzel, $456,003 is imposed jointly and severally with Relief Defendant Coastal, $2,646,678 is imposed jointly and severally with Relief Defendant Liberty, and $678,111 is imposed jointly and severally with Relief Defendant Dealer Lot. Defendant Bretzel shall satisfy this obligation by promptly paying $ 5,081,324 to the Clerk of this Court, together with a cover letter identifying Defendant Bretzel 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. Defendant Bretzel shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant Bretzel relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The Clerk shall deposit the funds into an interest bearing account with the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

The Commission may by motion propose a plan to distribute the Fund 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. Regardless of whether any such Fair Fund ~~distribution is made~~, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties 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.

Notwithstanding the foregoing, for so long as the automatic stay shall be in effect with respect to Defendant Bretzel or property of Defendant Bretzel's bankruptcy estate, no action shall be taken to enforce against or collect from Defendant Bretzel, or property of Defendant Bretzel's bankruptcy estate, respectively, any of the monetary obligations of this judgment except in compliance with the applicable provisions of the Bankruptcy Code and any applicable bankruptcy rules. Upon discontinuance of the automatic stay pursuant to 11 U.S.C. § 362(c), or termination, annulment or modification of the automatic stay pursuant to 11 U.S.C. § 362(d), the Commission may seek to enforce immediately such monetary obligations by moving for civil contempt and/or though other collection procedures authorized by law.

The Court finds that the instant case brought by the Commission is a civil action by a governmental unit to enforce its police or regulatory power, in accordance with the exception to the automatic stay provided in Section 362(b)(4) of the Bankruptcy Code. The Court further finds that the civil penalty, disgorgement, and prejudgment interest ordered against Bretzel in this Final Judgment is a judgment for the violation of the federal securities laws within the

meaning of Section 523(a)(19) of the Bankruptcy Code, and that the monetary relief imposed against Bretzel herein is a nondischargeable debt, pursuant to Section 523(a)(19) of the Bankruptcy Code.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Ford is liable for disgorgement of $200,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of $38,917, and a civil penalty in the amount of $6,500 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. § 78u(d)(3)]. Defendant Ford shall satisfy this obligation by paying $245,417 within 14 business days to the Clerk of this Court, together with a cover letter identifying Defendant Ford 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. Defendant Ford shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant Ford relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any

delinquent amounts pursuant to 28 USC § 1961.

The Clerk shall deposit the funds into an interest bearing account with the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

The Commission may by motion propose a plan to distribute the Fund 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. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties 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 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.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Liberty is liable for disgorgement of $2,646,678, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of $515,016. Liability for this disgorgement amount of $2,646,678 is imposed jointly and severally with Defendant Bretzel. Relief Defendant Liberty shall satisfy this obligation by paying

$3,161,694 within 14 business days to the Clerk of this Court, together with a cover letter identifying Relief Defendant Liberty 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. Relief Defendant Liberty shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Relief Defendant Liberty relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Relief Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Relief Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Coastal is liable for disgorgement of $456,003, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of $88,733. Liability for this disgorgement amount of $456,003 is imposed jointly and severally with Defendant Bretzel. Relief Defendant Coastal shall satisfy this obligation by paying $544,736 within 14 business days to the Clerk of this Court, together with a cover letter identifying Relief Defendant Coastal 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. Relief Defendant Coastal shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Relief Defendant Coastal relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Relief Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the

Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Relief Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Dealer Lot is liable for disgorgement of $678,111, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of $131,953. Liability for this disgorgement amount of $678,111 is imposed jointly and severally with Defendant Bretzel. Relief Defendant Dealer Lot shall satisfy this obligation by paying $810,064 within 14 business days to the Clerk of this Court, together with a cover letter identifying Relief Defendant Dealer Lot 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. Relief Defendant Dealer Lot shall simultaneously transmit photocopies of such payment

and letter to the Commission's counsel in this action. By making this payment, Relief Defendant Dealer Lot relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Relief Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Relief Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that amounts ordered to be paid as civil penalties pursuant to this Final Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, neither Defendant Bretzel nor

Defendant Ford shall, after offset or reduction of any award of compensatory damages in any Related Investor Action based on payment of disgorgement in this action, argue that he is entitled to further benefit by, offset or reduction of such compensatory damages award by the amount of any part of his payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset to Defendant Bretzel or Defendant Ford, he 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. 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 Bretzel, Defendant Ford, or both of them by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

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 Final Judgment.

IT IS SO ORDERED, this the 2nd day of July, 2010.

Anne C. Conway
UNITED STATES DISTRICT JUDGE