

KOELTL, S.

USDS SDNY 10/1 - 2007  
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 ELECTRONICALLY FILED  
 DEK #:  
 DATE FILED: 11/15/2007

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

JUDGE KOELTL

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

ARMSTRONG CAPITAL LTD.,  
BAY CAPITAL INVESTMENT LTD., and  
TIMOTHY M. BLISS,

Defendants.

07 CIV 9883  
Civil Action No.

PROPOSED FINAL  
JUDGMENT

# 07,2185

**FINAL JUDGMENT AS TO ARMSTRONG CAPITAL LTD.,  
BAY CAPITAL INVESTMENT LTD., AND TIMOTHY M. BLISS**

The Securities and Exchange Commission (the "Commission") having filed a Complaint, and Defendants Armstrong Capital Ltd. ("Armstrong"), Bay Capital Investment Ltd. ("Bay Capital"), and Timothy M. Bliss ("Bliss") (collectively "Defendants") having entered a general appearance; consented to the Court's jurisdiction over Defendants 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 ORDERED, ADJUDGED, AND DECREED that Defendants and Defendants' 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 directly or indirectly violating

Rule 105(a) of Regulation M [17 C.F.R. § 242.105(a)], by, in connection with an offering of equity securities for cash pursuant to a registration statement or a notification on Form 1-A [17 C.F.R. §239.90] or Form 1-E [17 C.F.R. §239.200] filed under the Securities Act of 1933 ("offered securities"), selling short (as defined in 17 C.F.R. §242.200(a)) the security that is the subject of the offering and purchasing the offered securities from an underwriter or broker or dealer participating in the offering if such short sale was effected during the shorter of the period:

- i) beginning five business days before the pricing of the offered securities and ending with such pricing; or
- ii) beginning with the initial filing of such registration statement or notification on Form 1-A or Form 1-E and ending with the pricing;

unless the activity qualifies as excepted activity pursuant to Rule 105(b) [17 C.F.R. §242.105(b)].

## II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are jointly and severally liable for disgorgement of \$1,263,000.50, representing profits gained as a result of the conduct alleged in the complaint, together with prejudgment interest thereon in the amount of \$205,830.20, for a total of \$1,468,830.70. Defendants shall satisfy this obligation by paying \$1,468,830.70 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 Armstrong, Bay Capital, and Bliss as the defendants 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. By making this payment, Defendants relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendants. Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

### III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall pay a civil penalty in the amount of \$325,000, for which they are jointly and severally liable, pursuant to Section 21(d)(3) of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)]. Defendants 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, Virginia 22312, and shall be accompanied by a letter identifying Armstrong, Bay Capital, and Bliss as the defendants 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. Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

IV.

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 Defendants shall comply with all of the undertakings and agreements set forth therein.

V.

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.

VI.

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: \_\_\_\_\_

11/9/07



G. B. Kelley

UNITED STATES DISTRICT JUDGE

*h*

THIS DOCUMENT WAS ENTERED  
ON THE DOCKET ON 11/19/07