

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF NEW YORK**

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<b>SECURITIES AND EXCHANGE COMMISSION,</b>	:
	:
<b>Plaintiff,</b>	:
	:
<b>- against -</b>	:
	:
<b>WATERMARK FINANCIAL SERVICES GROUP, INC.,</b>	:
<b>WATERMARK M-ONE HOLDINGS, INC.,</b>	:
<b>M-ONE FINANCIAL SERVICES, LLC,</b>	:
<b>WATERMARK CAPITAL GROUP, LLC,</b>	:
<b>GUY W. GANE, JR.,</b>	:
<b>LORENZO ALTADONNA,</b>	:
<b>THOMAS BRICK and DEBORAH GALAS</b>	:
	<b>08-CV-361S</b>
	:
<b>Defendants, and</b>	:
	:
<b>GUY W. GANE, III,</b>	:
<b>JENNA GANE,</b>	:
<b>DENKON, INC., and</b>	:
<b>KONSTANTINOS SAMOUILIDIS,</b>	:
	:
<b>Relief Defendants.</b>	:
	:
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**FINAL JUDGMENT AS TO DEFENDANTS GUY W. GANE, JR.,  
WATERMARK FINANCIAL SERVICES GROUP, INC.,  
WATERMARK M-ONE HOLDINGS, INC.,  
M-ONE FINANCIAL SERVICES, LLC, AND  
WATERMARK CAPITAL GROUP, LLC**

The Securities and Exchange Commission having filed a complaint on May 15, 2008, and an amended complaint on February 17, 2009; defendants Guy W. Gane, Jr., Watermark Financial Services Group, Inc., Watermark M-One Holdings, Inc., M-One Financial Services, LLC and Watermark Capital Group, LLC (collectively, "Defendants") having filed answers; the SEC on February 27, 2009, following discovery, having filed a motion for summary judgment pursuant

to Rule 56 of the Federal Rules of Civil Procedure; and the Court having granted the Commission's motion for summary judgment in part and denied it in part on February 14, 2012; therefore, without further notice:

I.

IT IS HEREBY ORDERED 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 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "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 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 violating Section 17(a) of the Securities Act of 1933 (the

“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 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 violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and (b)] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration

statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the 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 HEREBY FURTHER ORDERED 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 violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale, of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless Defendant is registered in accordance with subsection (b) of Section 15 of the Exchange Act.

V.

IT IS HEREBY FURTHER ORDERED that:

A. Defendants are jointly and severally liable, together with defendants Deborah Galas and Thomas Brick, for disgorgement of \$5,835,425.70, reduced by the amounts set forth in Section V.B. below, for a total of \$5,299,478.21, representing profits gained as a result of the conduct alleged in the Amended Complaint, together with prejudgment interest thereon from May 18, 2008, in the amount of \$788,979.68, for a total disgorgement amount of \$6,088,457.89. The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt, and/or through other collection procedures authorized by law, at any time after 14 days following entry of this Final Judgment. In response to any such civil

contempt motion by the Commission, the defendant may assert any legally permissible defense.

B. The disgorgement obligation shall be reduced on a dollar-for-dollar basis by any payments made: (i) pursuant to the *Order Fixing Amount of Disgorgement and Prejudgment Interest as to Defendant Lorenzo Altadonna* filed April 4, 2011 (Dkt. 196); (ii) by any of the relief defendants. As of the date of entry of this Final Judgment, Denkon, Inc. has paid a total of \$482,545.17, and Altadonna has paid a total of \$53,402.32, for a total of \$535,947.49. As a result, the total remaining disgorgement amount is \$5,299,478.21.

C. Defendants shall satisfy this obligation by paying \$6,088,457.89 within 14 business days after the entry of this Final Judgment to the Clerk of this Court, together with a cover letter identifying Guy W. Gane, Jr., Watermark Financial Services Group, Inc., Watermark M-One Holdings, Inc., M-One Financial Services, LLC and Watermark Capital Group, LLC as 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 simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. 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.

D. The Clerk shall deposit the funds into an interest-bearing account with the Court Registry Fund or any other type of interest-bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the 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.

VI.

IT IS FURTHER ORDERED that any restitution payments made by Gane pursuant to the Judgment entered on September 23, 2011, in *United States v. Guy W. Gane, Jr.*, 10 CR 90S (W.D.N.Y.), shall be credited towards the monetary relief ordered herein.

VII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

**SO ORDERED.**

Dated: February 15, 2012  
Buffalo, NY

/s/William M. Skretny  
WILLIAM M. SKRETNY  
Chief Judge  
United States District Court