

Chia, D.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

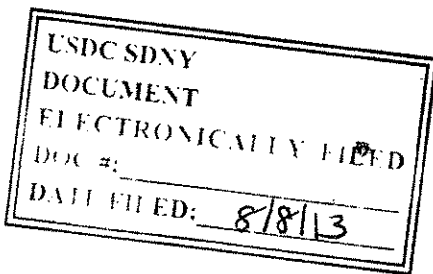
STEVEN BYERS, JOSEPH
SHERESHEVSKY, WEXTRUST CAPITAL, LLC,
WEXTRUST EQUITY PARTNERS, LLC,
WEXTRUST DEVELOPMENT GROUP, LLC,
WEXTRUST SECURITIES, LLC, and
AXELA HOSPITALITY, LLC,

Defendants,

ELKA SHERESHEVSKY,

Relief Defendant.
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08 Civ. 7104 (DC)
ECF CASE



DC

~~PROPOSED~~ **FINAL JUDGMENT IMPOSING PERMANENT
INJUNCTION AGAINST JOSEPH SHERESHEVSKY**

The Securities and Exchange Commission (“SEC”) having filed a Complaint in this matter on August 11, 2008, and a First Amended Complaint on August 28, 2008; and Defendant Joseph Shereshevsky (“Shereshevsky”) having answered the Complaint and the First Amended Complaint on September 2, 2008; and the SEC having filed a motion for partial summary judgment (the “Summary Judgment Motion”) based on the principles of collateral estoppel from Shereshevsky’s guilty plea in the case styled *United States v. Joseph Shereshevsky*, 08-cr-1092 (DC) (S.D.N.Y.) (the “Parallel Criminal Action”); and it appearing from the Summary Judgment Motion and accompanying papers that the SEC has met its burden of proving that Shereshevsky violated the federal securities laws as alleged in the Summary Judgment Motion; and it appearing from the sworn declaration of Neal Jacobson, dated May 9, 2013, that Shereshevsky was served with the Summary Judgment Motion and accompanying papers on March 11, 2013; and it

appearing from the record that Shereshevsky has not responded to the Summary Judgment Motion; and the SEC having modified the Summary Judgment Motion by withdrawing its claims for monetary relief only and moving for an order dismissing its claims for disgorgement, prejudgment interest and a civil money penalty against Shereshevsky in view of the criminal sanctions imposed against him in the Parallel Criminal Action.

NOW, THEREFORE:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the SEC's Summary Judgment Motion against Shereshevsky, as modified, is granted.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Shereshevsky and each of his partners, 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, directly or indirectly:

- (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.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Shereshevsky and each of his 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.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Shereshevsky and each of his 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 aiding and abetting any violation of Section 15(c) of the Exchange Act [15 U.S.C. § 78(o)(c)] and Rule 10b-3

thereunder [17 C.F.R. § 240.10b-3] by knowingly providing substantial assistance to a broker or dealer who, directly or indirectly, makes use of the mails or any instrumentality of interstate commerce, or any facility of any national securities exchange, to effect any transaction in, or to induce or attempt to induce the purchase or sale of any security (other than commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national exchange of which it is a member, by means of any manipulative, deceptive or other fraudulent device or contrivance, or to use or employ, in connection with the purchase or sale of any security otherwise than on a national securities exchange, any act, practice, or course of business defined by the Commission to be included within the term "manipulative, deceptive or other fraudulent device or contrivance" as such term is used in Section 15(c)(1) of the Exchange Act.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Shereshevsky and each of his 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 aiding and abetting any violation of Sections 15(b)(1) of the Exchange Act [15 U.S.C. § 78o(b)(1)] and Rules 15b1-1 and 15b3-1 [17 C.F.R. § 240.15b1-1 and 240.15b3-1] by knowingly providing substantial assistance to a broker or dealer that files an application for registration with the Commission that fails to contain such information and documents concerning such broker or dealer as the Commission by rule may prescribe, or fails to amend such application or any amendment to an application when any information contained therein is or becomes inaccurate for any reason.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Shereshevsky and each of his 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. § 78(o)(a)] by making use of the mails or any instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security if such person who effects and transaction in, or induces the purchase or sale of, any security is not registered as a broker or dealer in accordance with Section 15(b) of the Exchange Act.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Shereshevsky and each of his 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 aiding and abetting any violation of Section 15(b)(7) of the Exchange Act [15 U.S.C. § 78(o)(b)(7)] and Rule 15b7-1 [17 C.F.R. § 240.15b7-1] by knowingly providing substantial assistance to a broker or dealer that effects any transaction in, or induces the purchase or sale of any security unless any natural person associated with such broker or dealer who effects or is involved in effecting such transaction is registered or approved in accordance with the standards of training, experience, competence and other qualification standards (including but not limited to submitting and maintaining all required forms, paying all required fees, and passing any required examinations)

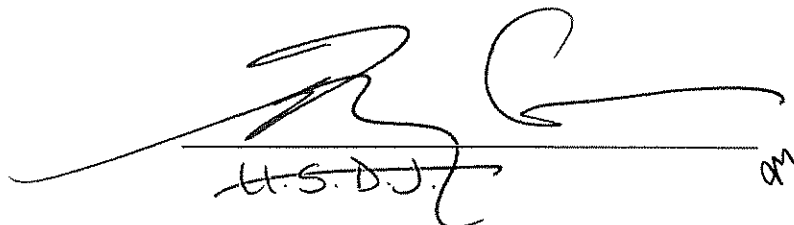
established by the rules of any national securities exchange or national securities association of which such broker or dealer is a member.

VIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that, in view of the SEC's withdrawal of its claims for disgorgement and a civil money penalty against Shereshevsky in light of the prison sentence and the judgments of restitution and forfeiture imposed against him in the Parallel Criminal Action, the Court will not impose disgorgement or a civil money penalty against Shereshevsky.

Dated: New York, New York

8-8-2013



U.S.D.J. am
USCJ
By Designation