

Commission completed service by legal notice effective July 9, 2010. The notice published to effect service reproduced the Summonses issued to Smith and Walsh, apprised them that a complaint had been filed against them, and of the name and address of Plaintiff's counsel, and informed them that a default judgment would be entered against them if they failed to respond. Smith and Walsh have failed to respond or appear herein. The Court has jurisdiction over this cause and over Smith and Walsh. Based on their failure to deny the factual allegations in the Commission's Complaint, all factual allegations therein are deemed admitted against Smith and Walsh. Accordingly, the Court finds that Smith and Walsh violated Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act") and Section 15(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act").

2. The Court finds that Smith realized \$989,352.59 in ill-gotten gains from the conduct alleged in the Complaint, and that Walsh realized \$354,750.21 in ill-gotten gains from the conduct alleged in the Complaint. It is appropriate to deprive Smith and Walsh of their respective ill-gotten gains by requiring them to pay these respective amounts to the Commission. The Court further finds that it appropriate to require Smith and Walsh to pay prejudgment interest to the Commission on the amounts of their respective ill-gotten gains, and that, in the case of Smith, prejudgment interests totals \$96,287.92, and, in the case of Walsh, prejudgment interest totals \$34,525.78.

3. Neither Smith nor Walsh is an infant or incompetent. Nor are they eligible for relief under the Soldier's and Sailors Civil Relief Act of 1940 [50 U.S.C. Appendix, § 501 et seq.].

4. The Court finds that Smith and Walsh violated Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a) and 77e(c)], Section 15(a)(1) of

the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78o(a)(1)], as alleged in the Complaint, and that injunctive relief is necessary based on a reasonable likelihood of future violations.

On the basis of the foregoing findings of fact and conclusions of law,

I.

IT IS ORDERED, ADJUDGED, AND DECREED that Smith and Walsh and each of 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 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and 77e(c)] 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;
- (b) unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; 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].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Smith and Walsh and each of 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, and each of them, is restrained and enjoined from directly or indirectly, engaging in the business of effecting transactions in securities, in the form of investment contracts, or any other security, for his own account or for the account of others, while making use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, banker's acceptances, or commercial bills) unless they are registered as a broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)] and all applicable rules promulgated thereunder or is otherwise exempt from registration under Section 15(a)(1) of the Exchange Act [15 U.S.C. §78o(a)(1)].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Smith is liable for disgorgement in the amount of \$989,352.59, representing the benefits he realized from the activities alleged in the complaint, together with prejudgment interest thereon of \$96,287.92, for a total of \$1,085,640.51, and Walsh is liable for disgorgement in the amount of \$354,750.21, representing the benefits he realized from the activities alleged in the complaint, together with prejudgment interest thereon of \$34,525.78, for a total \$389,275.99. Smith and Walsh shall

satisfy their respective obligations by paying, in Smith's case, \$1,085,640.51 and, in Walsh's case \$389,275.99 within 14 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, 100 F Street, NE, Stop 6042, Washington DC 20549, and shall be accompanied by a letter identifying the paying defendant's name 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. Smith and Walsh shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, 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)], Smith shall pay a civil penalty in the amount of \$494,676.29, and Walsh shall pay a civil penalty in the amount of \$354,750.21. Smith and Walsh shall make these respective payments within 14 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, 100 F Street, NE, Stop 6042, Washington DC 20549, and shall be accompanied by a letter identifying the paying defendant's name 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. Smith and Walsh shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

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 July, 2011


UNITED STATES DISTRICT JUDGE