

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	
DAVID RONALD ALLEN, et al.,	:	Civil Action No.:3:11-CV-882-O
	:	
Defendants,	:	
	:	
and	:	
	:	
PATRICIA ALLEN, et al.,	:	
	:	
Relief Defendants.	:	
	:	

**AMENDED FINAL JUDGMENT *NUNC PRO TUNC* AS TO DEFENDANTS
DAVID RONALD ALLEN, ASSOCIATES CAPITAL LEASING JOINT VENTURE,
ASSOCIATES FUNDING GROUP, INC., D-CAP ASSOCIATES JOINT VENTURE,
DEVELOPMENT CAPITAL ASSOCIATES JOINT VENTURE, TOWNHOME
COMMUNITIES CORP., AND RELIEF DEFENDANT
WINTERSTONE FINANCIAL, LTD.**

Before the Court is the Plaintiff’s Unopposed Motion to Amend Final Judgment *Nunc Pro Tunc* (ECF No. 240). Having considered the Motion, the Court finds that it should be an is hereby **GRANTED**. Accordingly, the Court amends its December 2, 2011 Final Judgment Order (ECF No. 176) as follows:

The Securities and Exchange Commission having filed a Complaint and Defendants David Ronald Allen (“Allen”), Associates Capital Leasing Joint Venture (“ACL”), Associates Funding Group, Inc. (“AFG”), D-Cap Associates Joint Venture (“D-Cap Associates”), Development Capital Associates Joint Venture (“DCA”), Townhome Communities Corp. (“TCC”), and Relief Defendant Winterstone Financial, Ltd. (“Defendants” and “Relief

Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendants and Relief Defendant 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 Allen, ACL, AFG, D-Cap Associates, DCA, and TCC 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, ADJUDGED, AND DECREED that Defendants Allen, D-Cap Associates, DCA and TCC 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, ADJUDGED, AND DECREED that Defendants Allen, D-Cap Associates, DCA and TCC 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 5 of the Securities Act [15 U.S.C. § 77e] 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].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUGED, AND DECREED that Defendant Allen and Defendant's 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 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Regulation FD [17 C.F.R. § 243.100 *et seq.*] thereunder, by knowingly providing substantial assistance to an issuer that disclosed material, nonpublic information regarding an issuer or its securities to persons described in 17 C.F.R. § 243.100(b)(1) without making public disclosure of that information.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Allen and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this 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)], to effect transactions in, or to induce or attempt to induce the purchase or sale of securities, through the use of the mails or means or instrumentalities of interstate commerce, without being registered as a broker or dealer or being associated with a registered broker or dealer.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant Allen is permanently prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Allen is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

VIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Allen and Relief Defendant are jointly and severally liable for disgorgement of \$212,821, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$12,647, for a total of \$225,468. 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, Defendant Allen and Relief Defendant may assert any legally permissible defense. Payments under this paragraph shall be made to the Clerk of this Court, together with a cover letter identifying David Ronald Allen as a defendant and Winterstone Financial Ltd. as Relief 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 Allen and Relief Defendant shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action. Defendant Allen and Relief Defendant relinquish all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Defendant Allen or Relief Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") 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 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. Defendant Allen and Relief Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Allen shall pay a civil penalty in the amount of \$212,821 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. Payments under this paragraph shall be made to the Clerk of this Court, together with a cover letter identifying David Ronald Allen 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 Allen and Relief Defendant shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action. Defendant relinquishes all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Defendant Allen. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") 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 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. Defendant Allen shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants ACL, AFG, D-Cap Associates, DCA, and TCC, are jointly and severally liable for a civil penalty in the amount of \$500,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. Payments under this paragraph shall be made to the Clerk of this Court, together with a cover letter identifying Defendants ACL, AFG, D-Cap Associates, DCA, and TCC 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 ACL, AFG, D-Cap Associates, DCA, and TCC shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action. Defendants ACL, AFG, D-Cap Associates, DCA, and TCC relinquish all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Defendants ACL, AFG, D-Cap Associates, DCA, and TCC. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") 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 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. Defendants ACL, AFG, D-Cap Associates, DCA, and TCC shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

XI.

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.

XII.

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.

SO ORDERED this 3rd day of October, 2012.


Reed O'Connor
UNITED STATES DISTRICT JUDGE