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DATE FILED: 11/15/12

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

MURDOCH SECURITY & INVESTIGATIONS, INC.,
ROBERT GOLDSTEIN, and WILLIAM VASSELL,

Defendants.
----- X

11 Civ. 7076 (JGK)

ECF CASE

FINAL JUDGMENT AS TO DEFENDANT ROBERT GOLDSTEIN

The Securities and Exchange Commission having filed a Complaint and Defendant Robert Goldstein having entered a general appearance; consented to the Court’s jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment; 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 Defendant 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 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 Defendant 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 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 Defendant 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 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, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$750,000.00. Such disgorgement shall be deemed satisfied -- but only to the extent paid -- by Defendant's payment of \$750,000.00 (the "Payment Amount") within 548 days after entry of this Final Judgment to the New York County District Attorney's

Office (the “District Attorney’s Office”), pursuant to an order of forfeiture entered against Defendant in People v. Goldstein, 2012 N.Y. 056019 (Sup. Court N.Y. County).

Upon the District Attorney’s Office’s receipt of any payment(s) comprising the Payment Amount, the District Attorney’s Office shall remit such payment(s) to the Clerk of this Court, together with a cover letter identifying Robert Goldstein 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. The District Attorney’s Office shall simultaneously transmit photocopies of such payment and letter to the Commission’s counsel in this action.

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.

The Commission shall by motion upon notice to the Defendant propose a plan to distribute the Fund subject to the Court’s approval. The Commission’s proposed plan shall provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.

V.

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If Defendant fails to make any part of the Payment Amount by within 548 days from the entry of this Final Judgment, all outstanding payments under this Final Judgment, including post-judgment interest, which accrues pursuant to ~~28~~²⁸ U.S.C. § 1961, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Court.

VI.

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

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Court's October 7, 2011 Order Freezing Assets and Granting Other Relief is vacated, together with all restrictions therein concerning Defendant's ability to withdraw, transfer, pledge, encumber, assign, dissipate, or dispose of any assets, funds, or other property (including money, real or personal property, securities, commodities, choses in action or other property of any kind whatsoever) that are held by him, or under his direct or indirect control.

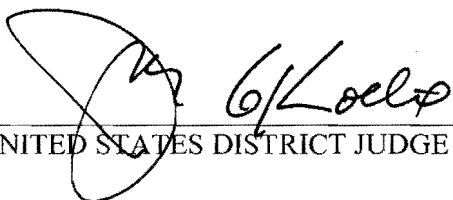
VIII.

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.

IX.

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: 11/15/12


UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

MURDOCH SECURITY & INVESTIGATIONS, INC., :
ROBERT GOLDSTEIN, and WILLIAM VASELL, :

Defendants. :

11 Civ. 7076 (JGK)

ECF CASE

----- X

CONSENT OF DEFENDANT ROBERT GOLDSTEIN

1. Defendant Robert Goldstein (“Defendant”) acknowledges having been served with the First Amended Complaint in this action, enters a general appearance, and admits the Court’s jurisdiction over Defendant and over the subject matter of this action.

2. Defendant has pleaded guilty to a criminal misdemeanor relating to certain matters alleged in the First Amended Complaint in this action. Specifically, in People v. Goldstein, 2012 N.Y. 056019 (Sup. Court N.Y. County) (the “Criminal Case”), Defendant pleaded guilty to violating General Business Law § 352-c(1)(b). In connection with that plea, Defendant admitted the facts set out in the Factual Allocation of Robert Goldstein attached hereto as Exhibit A. The Consent shall remain in full force and effect regardless of the existence or outcome of any further proceedings in the Criminal Case.

3. Defendant hereby consents to the entry of the final Judgment in the form attached hereto (the “Final Judgment”) and incorporated by reference herein, which, among other things:

- a. permanently restrains and enjoins Defendant from violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5];

Sections 5 and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e and 77q(a)];

- b. orders that Defendant is liable for disgorgement of \$750,000.00; and
- c. orders that such disgorgement shall be deemed satisfied, but only to the extent paid, by Defendant's payment of \$750,000.00 (the "Payment Amount") within 548 days after entry of this Final Judgment to the New York County District Attorney's Office (the "District Attorney's Office"), pursuant to an order of forfeiture entered against Defendant in the Criminal Case.

4. Defendant acknowledges that if he fails to make any part of the Payment Amount by no later than 548 days from the entry of this Final Judgment, all outstanding payments under this Final Judgment, including post-judgment interest, which accrues pursuant to 20 U.S.C. § 1961, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commission without further application to the Court.

5. Defendant and the Commission acknowledge that, upon the District Attorney's Office's receipt of any payment(s) comprising the Payment Amount, the District Attorney's Office shall remit such payment to the Clerk of Court of the Southern District of New York and that such payment(s) may be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.

6. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

7. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

8. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

9. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

10. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

11. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

12. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this civil proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing

boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

13. Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendant agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

14. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees,

expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

15. In connection with this action and any related judicial or administrative proceeding or investigation commenced by the Commission or to which the Commission is a party, Defendant (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearings, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Defendant's undersigned attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and any applicable local rules, provided that the party requesting the testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Defendant in any United States District Court for purposes of enforcing any such subpoena.

16. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

17. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: AUGUST 15, 2012



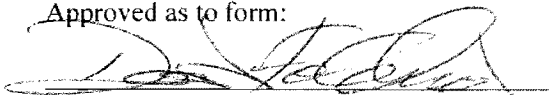
Robert Goldstein

On August 15, 2012, Yancy Fleetwood, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.


Notary Public

Commission expires:

Approved as to form:



David Feldman
Nixon Peabody LLP
437 Madison Avenue
New York, NY 10022
Tel: (212) 940-3013
DFeldman@nixonpeabody.com
Attorney for Defendant Robert Goldstein

YANCY FLEETWOOD
Notary Public, State of New York
No. 01-FL6034777
Qualified in New York County
Commission Expires Dec. 20, 2013

Exhibit A

Appendix A

Factual Allocation of Robert Goldstein

1. I, ROBERT GOLDSTEIN, plead guilty to the crime of Violation of General Business Law §352-c(1)(b), a misdemeanor, in full satisfaction of Docket Number 2012NY05605.
2. I, ROBERT GOLDSTEIN, admit the following:
 - a. From September 2005 through December 2011, I was employed as a Senior Vice President at Murdoch Security and Investigations, Inc. ("MSI"), located, among other places, at 575 Madison Avenue in New York, New York. I primarily worked out of an office located at 3432-09 East Tremont Avenue in Bronx, New York. MSI was a security business that offered protective services. My job duties during most of that time period consisted of sales and marketing of the company's security guards and protective services.
 - b. Between October 2010 and August 2011, MSI advertised the sale of promissory notes with a rate of return of 22% in the *Wall Street Journal* and other publications. Investors placed calls to MSI's CEO in response to the advertisements and the CEO directed the prospective investors to me to provide a sales pitch for the promissory notes. In response to these inquiries, I answered questions about the promissory notes and mailed solicitation and promotional materials out to prospective investors. If a person was interested in purchasing promissory notes, I signed and mailed non-negotiable promissory notes to the investor to sign and return to me via mail. I also instructed investors to send their payments for these notes to MSI. Checks payable to MSI were deposited in an MSI account at Sterling National Bank located at 425 Park Avenue, New York, New York 10022.
 - c. During this period of time, I spoke to investors from across the country including investors residing in New York County. In addition, I mailed the solicitation and promotional materials and promissory notes to investors around the United States, including investors in New York County.
 - d. Throughout my conversations with potential investors, I made representations as to the future of MSI which were beyond reasonable expectation and unwarranted by existing circumstances. For example, I inflated the potential growth of future revenue from overseas anti-piracy operations. This representation was beyond reasonable expectation because I knew MSI had no overseas anti-piracy operations. In making representations as to the future of MSI, I also provided assurances

regarding MSI's past and current revenue which I knew to be an unwarranted representation based upon existing circumstances. I conveyed these misleading representations through sales pitches, mailings, and other communications.

- e. After I conveyed these misleading representations, more than 10 investors purchased over \$1,000,000.00 in promissory notes from MSI, combined. Not all of the potential investors to whom I conveyed these misleading representations purchased promissory notes from MSI.
- f. Specifically, in or about November 2010, I spoke with Nicholas Tzanetakos, a potential investor that had responded to the advertisement in the *Wall Street Journal*. During my sales pitch and subsequent conversations with Mr. Tzanetakos, I made statements concerning the future of MSI's overseas anti-piracy operations, revenue streams, and growth potential, including a representation that MSI would be able to generate significant revenue from those operations. In making representations as to the future of MSI, I also provided assurances regarding MSI's past and current revenue. Those representations were: (i) beyond reasonable expectation because MSI had no existing overseas anti-piracy operations and (ii) unwarranted by the existing circumstances because MSI was operating at a loss. Mr. Tzanetakos subsequently purchased \$150,000.00 in promissory notes and \$100,000.00 in equity in MSI and sent me checks payable to MSI that were deposited into MSI's account at Sterling National Bank located at 425 Park Avenue in New York, New York 10022.

Dated: New York, New York
July 19 2012



Robert Goldstein