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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

SHERVIN NEMAN and NEMAN
FINANCIAL, INC.,

Defendants,

CASSANDRA C. NEMAN,

Relief Defendant.

Case No. CV12-03142 BRO (PLAx)

**FINAL JUDGMENT OF
PERMANENT INJUNCTION
AGAINST DEFENDANTS SHERVIN
NEMAN AND NEMAN FINANCIAL,
INC.**

1 The Court, having granted Plaintiff Securities and Exchange Commission
2 (“SEC”) summary judgment against Defendant Shervin Neman on each of its Claims
3 for Relief, and having granted Plaintiff SEC’s motion for entry of final judgment by
4 default against Defendant Neman Financial, Inc. on each of its Claims for Relief, now
5 issues this Final Judgment:

6 **I.**

7 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants
8 Shervin Neman and Neman Financial, Inc. (“Defendants”) and Defendants’ officers
9 agents, servants, employees, attorneys, and all persons in active concert or
10 participation with them who receive actual notice of this Final Judgment by personal
11 service or otherwise are permanently restrained and enjoined from violating Section
12 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a), in the offer or sale of any
13 security by the use of any means or instruments of transportation or communication
14 in interstate commerce or by use of the mails, directly or indirectly:

- 15 (a) to employ any device, scheme, or artifice to defraud (15 U.S.C. §
16 77q(a)(1));
- 17 (b) to obtain money or property by means of any untrue statement of a
18 material fact or any omission of a material fact necessary in order to
19 make the statements made, in light of the circumstances under which
20 they were made, not misleading (15 U.S.C. § 77q(a)(2)); or
- 21 (c) to engage in any transaction, practice, or course of business which
22 operates or would operate as a fraud or deceit upon the purchaser (15
23 U.S.C. § 77q(a)(3)).

24 **II.**

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
26 and Defendants’ officers, agents, servants, employees, attorneys, and all persons in
27 active concert or participation with them who receive actual notice of this Final
28 Judgment by personal service or otherwise are permanently restrained and enjoined

1 from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
2 1934, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. §
3 240.10b-5, by using any means or instrumentality of interstate commerce, or of the
4 mails, or of any facility of any national securities exchange, in connection with the
5 purchase or sale of any security:

- 6 (a) to employ any device, scheme, or artifice to defraud (17 C.F.R. §
7 240.10b-5(a));
- 8 (b) to make any untrue statement of a material fact or to omit to state a
9 material fact necessary in order to make the statements made, in the light
10 of the circumstances under which they were made, not misleading (17
11 C.F.R. § 240.10b-5(b)); or
- 12 (c) to engage in any act, practice, or course of business which operates or
13 would operate as a fraud or deceit upon any person (17 C.F.R. §
14 240.10b-5(c)).

15 **III.**

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
17 and Defendants' officers, agents, servants, employees, attorneys, and all persons in
18 active concert or participation with them who receive actual notice of this Final
19 Judgment by personal service or otherwise are permanently restrained and enjoined
20 from violating Section 206(1), (2) and (4) of the Investment Advisers Act ("Advisers
21 Act"), 15 U.S.C. §§ 80b-6(1), 80b-6(2) & 80b-6(4), and Rule 206(4)-8(a)(1)
22 thereunder, 17 C.F.R. § 275. 206(4)-8(a)(1), by, while acting as an investment
23 adviser, using the mails or any means or instrumentality of interstate commerce,
24 directly or indirectly:

- 25 (a) to employ any device, scheme, or artifice to defraud any client or
26 prospective client (15 U.S.C. § 80b-6(1));
- 27 (b) to engage in any transaction, practice, or course of business which
28 operates as a fraud or deceit upon any client or prospective client (15

1 U.S.C. § 80b-6(2)); or

2 (c) to engage in any act, practice, or course of business which is fraudulent,
3 deceptive, or manipulative, including:

4 (i) making any untrue statement of a material fact or omitting to state
5 a material fact necessary to make the statements made, in the light
6 of the circumstances under which they were made, not misleading,
7 to any investor or prospective investor in a pooled investment
8 vehicle; or

9 (ii) otherwise engaging in any act, practice, or course of business that
10 is fraudulent, deceptive, or manipulative with respect to any
11 investor or prospective investor in a pooled investment vehicle.

12 (15 U.S.C. § 80b-6(4) and 17 C.F.R. § 275.206(4)-8(a)(1)).

13 **IV.**

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
15 and Defendants' officers, agents, servants, employees, attorneys, and all persons in
16 active concert or participation with them who receive actual notice of this Final
17 Judgment by personal service or otherwise are permanently restrained and enjoined
18 from violating Section 204(a) of the Advisers Act, 15 U.S.C. § 80b-4(a), and Rule
19 204-2 thereunder, 17 C.F.R. § 275.204-2, by, while acting as an investment adviser,
20 using the mails or any means or instrumentality of interstate commerce in connection
21 with his or its business as an investment adviser, failing to make and keep for
22 prescribed periods such records, furnish such copies thereof to the SEC and its
23 examiners and other staff, and make and disseminate such reports as the SEC may
24 prescribe by rule, including those described in Rule 204-2.

25 **V.**

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
27 and Defendants' officers, agents, servants, employees, attorneys, and all persons in
28 active concert or participation with them who receive actual notice of this Final

1 Judgment by personal service or otherwise are permanently restrained and enjoined
2 from violating Section 203A of the Advisers Act, 15 U.S.C. § 80b-3a, by registering
3 with the SEC, rather than the appropriate State, as an investment adviser, without
4 meeting the requirements for registration with the SEC, including having the required
5 minimum dollar amount of assets under management.

6 **VI.**

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
8 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
9 Final Judgment, and for purposes of determining additional relief in this action.

10 **VII.**

11 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
12 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith
13 and without further notice.

14 IT IS SO ORDERED.

15 DATED: November 16, 2016

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17 By: 

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19 Honorable Beverly R. O'Connell
20 United States District Court Judge
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