

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 01-4269-CIV-SEITZ

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

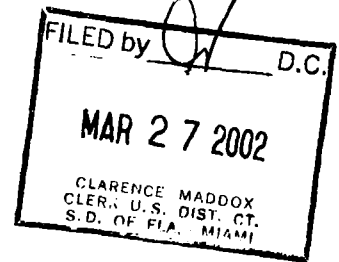
VESTRON FINANCIAL CORP.,)
SALMAN SHARIFF,)
VESTRON INVESTMENT CLUB,)
CRESCENT CAPITAL PARTNERS LP,)
CRESCENT CAPITAL OFFSHORE FUND,)

Defendants,)

and)

NORTH COAST HOLDINGS, LTD. and)
RAINBOW BRIDGE INVESTMENTS, LLC,)

Relief Defendants.)



**DEFAULT JUDGMENT OF PERMANENT INJUNCTION
AND OTHER RELIEF AS TO ALL DEFENDANTS
AND DEFAULT JUDGMENT OF DISGORGEMENT AS TO RELIEF DEFENDANTS**

THIS MATTER, having come before the Court upon Plaintiff Securities and Exchange Commission's ("Commission") Motion for Entry of Default Judgment of Permanent Injunction and Other Relief as to Defendants Vestron Financial Corp. ("Vestron Financial"), Salman Shariff ("Shariff"), Vestron Investment Club, Crescent Capital Partners LP ("Crescent Capital Partners"), and Crescent Capital Offshore Fund ("Crescent Capital Offshore") (collectively "Defendants") and Default Judgment of Disgorgement as to Relief Defendants North Coast

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Holdings, Ltd. ("North Coast") and Rainbow Bridge Investments, LLC ("Rainbow") and it appearing to the Court that Defendants and Relief Defendants were duly served, and that Defendants and Relief Defendants failed to appear or file a responsive pleading within the time prescribed by law, and the Court, having reviewed the record and been otherwise advised, hereby renders final judgment in this cause.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. This Court has personal jurisdiction over Defendants and Relief Defendants and the subject matter herein.

2. Notice of this action was duly served upon Defendants and Relief Defendants by personal service.

3. Pursuant to Rule 4(1) of the Federal Rules of Civil Procedure proof of service was filed with the Court on November 5, 2001.

4. As of the date of the Commission's Motion for Final Judgment of Permanent Injunction and Other Relief by Default, Defendants and Relief Defendants have failed to answer or otherwise plead to the Commission's complaint as required by the Federal Rules of Civil Procedure.

5. By virtue of their failure to answer or otherwise plead, Defendants and Relief Defendants are deemed to have admitted the well pleaded allegations of the complaint; accordingly, the Court finds that Defendants and Relief Defendants committed the violations alleged therein.

6. Defendants and Relief Defendants are not infants or incompetent persons and have no general guardian, committee, conservator or other such persons appearing on their behalf.

7. The Court did not find it necessary to conduct a hearing or order a conference prior to entering final judgment in this action or carrying its judgment to effect.

8. Pursuant to Federal Rule of Civil Procedure 54(b), the Court expressly determines that there is no just reason for delay and expressly directs that judgment be entered in this action as between the Commission and Defendants and Relief Defendants. Accordingly,

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Plaintiff's Motion for Default Judgment of Permanent Injunction and Other Relief Against Defendants and Default Judgment of Disgorgement as to the Relief Defendants is **GRANTED**.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants had engaged and, unless enjoined, will continue to engage in acts that constitute violations of (i) Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and 77e(c)] of the Securities Act of 1933 ("Securities Act"); (ii) Sections 17(a)(1)-(3) of the Securities Act [15 U.S.C. §§ 77q(a)(1)-(3)]; (iii) 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]; (iv) Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)]; (v) Sections 206(1) and 206(2) of the Investment Advisors Act of 1940, [15 U.S.C.

§ 80b-6]; (vi) Sections 7(a) and 7(d) of the Investment Company Act of 1940, [15 U.S.C. §§ 80a-7(a) and 80a-7(d)].

III.

**VIOLATION OF SECTIONS 5(A) AND 5(C) OF THE
SECURITIES ACT AS TO ALL DEFENDANTS**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants, their officers, agents, servants, employees, representatives, and all persons in active concert or participation with them, and each of them, directly or indirectly, who receive actual notice of this Final Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are permanently restrained and enjoined from, directly or indirectly:

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such security;
- (b) carrying or causing to be carried through the mails or in interstate commerce, by means or instruments of transportation, any security, in the form of units, common stock, warrants or any other security, for the purpose of sale or delivery after sale, unless and until a registration statement is in effect with the Commission as to such security; 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 any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is filed with the Commission as to such security, or while a registration statement filed with the Commission as to such security 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, in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

IV.

FRAUD IN VIOLATION OF SECTION 17(a) OF THE SECURITIES ACT AS TO VESTRON FINANCIAL AND SHARIFF

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Vestron Financial and Shariff, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

(a) knowingly or recklessly employing any device, scheme or artifice to defraud;

- (b) obtaining money or property by means of any untrue statement of a material fact or omission 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) engaging in any practice, transaction, or course of business which operates or would operate as a fraud or deceit upon the purchaser of any such security,
- in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3).

V.

**FRAUD IN VIOLATION OF SECTION 10(b) OF THE
EXCHANGE ACT AND RULE 10b-5 THEREUNDER
AS TO VESTRON FINANCIAL AND SHARIFF**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Vestron Financial and Shariff, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly, willfully, or recklessly, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (a) employing any device, scheme or artifice to defraud;

- (b) making any untrue statement of a material fact or omitting 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) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, promulgated thereunder.

VI.

**VIOLATION OF SECTION 15(a)(1) OF THE EXCHANGE
ACT AS TO VESTRON FINANCIAL AND SHARIFF**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Vestron Financial and Shariff, their officers, agents, servants, employees, representatives, and all persons in active concert or participation with them, and each of them, directly or indirectly, who receive actual notice of this Final Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of securities, while acting as a broker or dealer engaged in the business of effecting transactions in securities for the accounts of others, but not registered as a broker-dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

VII.

**VIOLATION OF SECTION 206(1) OF THE INVESTMENT
ADVISORS ACT AS TO VESTRON FINANCIAL AND SHARIFF**

IT IS HEREBY FURTHER ORDERED that, Defendants Vestron Financial and Shariff, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, employing any device, scheme or artifice to defraud any client or prospective client in violation of Section 206(1) of the Advisors Act, 15 U.S.C. § 80b-6.

VIII.

**VIOLATION OF SECTION 206(2) OF THE INVESTMENT
ADVISORS ACT AS TO VESTRON FINANCIAL AND SHARIFF**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Vestron Financial and Shariff, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from the use of any means or instrumentality of interstate commerce, or of the mails to engage in any transaction, practice or course of business which operates as a fraud

or deceit upon any client or prospective client in violation of Section 206(2) of the Advisers Act, 15 U.S.C. § 80b-6.

IX.

VIOLATION OF SECTION 7(a) OF THE INVESTMENT COMPANY ACT AS TO VESTRON INVESTMENT CLUB AND CRESCENT CAPITAL PARTNERS

IT IS HEREBY FURTHER ORDERED that Defendants Vestron Investment Club and Crescent Capital Partners, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them and each of them, are hereby permanently restrained and enjoined from, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, to offer or sell, or deliver for sale, securities without having registered with the Securities and Exchange Commission in violation of Section 7(a) of the Investment Company Act, 15 U.S.C. §80a-7(a).

X.

VIOLATION OF SECTION 7(d) OF THE INVESTMENT COMPANY ACT AS TO CRESCENT CAPITAL OFFSHORE

IT IS HEREBY FURTHER ORDERED that Defendant Crescent Capital Offshore, its officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, making use of the mails or means or instrumentalities of interstate commerce, to offer or sell, or deliver for sale, securities issued, in violation of Section 7(d) of the Investment Company Act of 1940, 15 U.S.C. §80a-7(d).

XI.

DISGORGEMENT AS TO DEFENDANTS AND RELIEF DEFENDANTS

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants and Relief Defendants shall pay disgorgement representing their gains from the conduct alleged in the complaint, plus pre-judgment interest thereon. The amount of disgorgement shall be determined without hearing based upon the submission of documentary evidence by the Commission.

XII.

PENALTIES AS TO DEFENDANTS


IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants shall pay a civil money penalty 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) based upon their conduct as alleged in the complaint. The amount of the civil penalty shall be determined after the Commission submits its recommendation to the Court.

XIII.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that, this Court will retain jurisdiction over this matter and Defendants and Relief Defendants in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED in Miami, Florida, this 27th day of March, 2002


PATRICIA A. SEITZ
UNITED STATES DISTRICT JUDGE

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