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11
12 **UNITED STATES DISTRICT COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **WESTERN DIVISION**

15 SECURITIES AND EXCHANGE
16 COMMISSION,

17 Plaintiff,

18 vs.

19 DIVERSIFIED LENDING GROUP, INC.;
20 APPLIED EQUITIES, INC.; and BRUCE
21 FRIEDMAN;

22 Defendants,

23 and

24 TINA M. PLACOURAKIS,

Relief Defendant.

Case No. CV 09-1533 R (JTLx)

**JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST DEFENDANT
BRUCE FRIEDMAN**

1 Plaintiff Securities and Exchange Commission (“Commission”) having filed
 2 a Complaint and Defendant Bruce Friedman (“Defendant”) having entered a
 3 general appearance; consented to the Court’s jurisdiction over Defendant and the
 4 subject matter of this action; consented to entry of this Judgment without admitting
 5 or denying the allegations of the Complaint (except as to jurisdiction); waived
 6 findings of fact and conclusions of law; and waived any right to appeal from this
 7 Judgment:

8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
 10 and Defendant’s agents, servants, employees, attorneys, and all persons in active
 11 concert or participation with them who receive actual notice of this Final Judgment
 12 by personal service or otherwise are permanently restrained and enjoined from
 13 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
 14 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
 15 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
 16 interstate commerce, or of the mails, or of any facility of any national securities
 17 exchange, in connection with the purchase or sale of any security:

- 18 (a) to employ any device, scheme, or artifice to defraud;
- 19 (b) to make any untrue statement of a material fact or to omit to state a
 20 material fact necessary in order to make the statements made, in the
 21 light of the circumstances under which they were made, not
 22 misleading; or
- 23 (c) to engage in any act, practice, or course of business which operates or
 24 would operate as a fraud or deceit upon any person.

25 II.

26 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
 27 that Defendant and Defendant’s agents, servants, employees, attorneys, and all
 28 persons in active concert or participation with them who receive actual notice of

1 this Final Judgment by personal service or otherwise are permanently restrained
 2 and enjoined from violating Section 17(a) of the Securities Act of 1933 (the
 3 “Securities Act”), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use
 4 of any means or instruments of transportation or communication in interstate
 5 commerce or by use of the mails, directly or indirectly:

- 6 (a) to employ any device, scheme, or artifice to defraud;
- 7 (b) to obtain money or property by means of any untrue statement of a
 8 material fact or any omission of a material fact necessary in order to
 9 make the statements made, in light of the circumstances under which
 10 they were made, not misleading; or
- 11 (c) to engage in any transaction, practice, or course of business which
 12 operates or would operate as a fraud or deceit upon the purchaser.

13 **III.**

14 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED**
 15 that Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest
 16 thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act, 15
 17 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).
 18 The Court shall determine the amounts of the disgorgement and civil penalty upon
 19 motion of the Commission. Prejudgment interest shall be calculated from March
 20 3, 2009, based on the rate of interest used by the Internal Revenue Service for the
 21 underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In
 22 connection with the Commission’s motion for disgorgement and/or civil penalties,
 23 and at any hearing held on such a motion: (a) Defendant will be precluded from
 24 arguing that he did not violate the federal securities laws as alleged in the
 25 Complaint; (b) Defendant may not challenge the validity of the Consent or this
 26 Judgment; (c) solely for the purposes of such motion, the allegations of the
 27 Complaint shall be accepted as and deemed true by the Court; and (d) the Court
 28 may determine the issues raised in the motion on the basis of affidavits,

1 declarations, excerpts of sworn deposition or investigative testimony, and
2 documentary evidence, without regard to the standards for summary judgment
3 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection
4 with the Commission's motion for disgorgement and/or civil penalties, the parties
5 may take discovery, including discovery from appropriate non-parties.

6 **IV.**

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
8 Consent is incorporated herein with the same force and effect as if fully set forth
9 herein, and that Defendant shall comply with all of the undertakings and
10 agreements set forth therein.

11 **V.**

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
13 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
14 of this Judgment.

15 **VI.**

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

19
20 Dated: August 25, 2009



HONORABLE MANUEL L. REAL
UNITED STATES DISTRICT JUDGE

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

☒ U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On August 24, 2009, I caused to be served the document entitled **[PROPOSED] JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT BRUCE FRIEDMAN** on all the parties to this action addressed as stated on the attached service list:

☒ **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

☐ **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

☐ **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

☐ **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

☐ **FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

☒ **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

☐ **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

☒ **(Federal)** I declare under penalty of perjury that I am a member of the bar of this Court and that the foregoing is true and correct.

Date: August 24, 2009

/s/ John M. McCoy III
John M. McCoy III

SEC v. DIVERSIFIED LENDING GROUP, INC., et al.
United States District Court – Central District of California
Case No. CV 09-01533 R (JTLx)
(LA-3591)

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***Court-Appointed Permanent Receiver for Diversified Lending
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