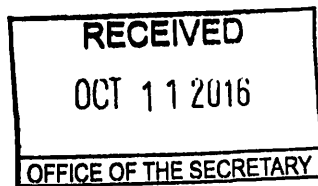


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ADMINISTRATIVE PROCEEDING
FILE NO. 3-16946

**UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION**

In the Matter of

GEORGE CHARLES CODY PRICE,

Respondent.

**DECLARATION OF LYNN M. DEAN
IN SUPPORT OF DIVISION OF ENFORCEMENT'S OPPOSITION TO
GEORGE CHARLES CODY PRICE'S PETITION FOR REVIEW
AND REQUEST TO DISMISS PETITION**

October 7, 2016

Division of Enforcement
Lynn M. Dean
444 S. Flower Street, Suite 900
Los Angeles, California 90071
(323) 965-3998 (*telephone*)
(213) 443-1904 (*facsimile*)

DECLARATION OF LYNN M. DEAN

I, Lynn M. Dean, hereby declare, pursuant to 28 U.S.C. § 1746, as follows:

1. I am an attorney at law admitted to practice law in the State of California and before the United States District Court for the Southern District of California. I am employed as Senior Trial Counsel for the Los Angeles Regional Office of the U.S. Securities and Exchange Commission (“Commission”), 444 Fifth Street, 9th Floor, Los Angeles, California 90071, Telephone: (323) 965-3998.

2. I am the trial counsel assigned to litigate this matter on behalf of the Division of Enforcement. I have personal knowledge of the facts set forth in this Declaration, and, if called and sworn as a witness, could and would competently testify thereto.

3. A true and correct certified copy of the complaint filed by the Commission in the Southern District of California in the civil action, *SEC v. ABS Manager, LLC, et al.*, Case No. 13 CV 0319 GPC (BGS), is attached hereto as **Exhibit 1**.

4. A true and correct certified copy of the Consent to Entry of Final Judgment signed by George Charles Cody Price on April 30, 2015 is attached hereto as **Exhibit 2**.

5. A true and correct certified copy of the Final Judgment Against George Charles Cody Price dated July 16, 2015 is attached hereto as **Exhibit 3**.

6. With respect to the FINRA arbitration that Price discusses in his petition, in June 2012, one of the underlying funds, the Capital Access Fund, began allowing investors to obtain a line of credit from ABS Manager of up to 70% of the value of their investment. To fund these loans, ABS Manager obtained a “non-purpose loan” from its broker-dealer and clearing firm, Morgan Stanley. Price falsified the loan application with Morgan Stanley by claiming that he intended to use the proceeds of the loan to purchase commercial and residential real estate.¹ He


¹ Price repeated that lie about real estate purchases at least three more times: On May 23, 2012 he wrote to Morgan Stanley: “I also have 2mm in value of new bonds coming over later today....I will be utilizing them right away for the express credit line. ... I have a large real estate purchase coming and want to use about \$1.4mm of the 2mm in value. On October 12, 2012, Price sent Morgan

pledged the Capital Access bonds as collateral for the loan.

7. The addition of the line of credit to the Fund's brokerage account made the account susceptible to a "margin call" that would either need to be satisfied immediately in the form of additional cash, the payoff of the entire amount borrowed, or a liquidation of securities. That risk was realized in October 2012, Morgan Stanley notified Price that it had concerns about the credit risk associated with the bonds securing this loan. After months of negotiation, on December 17, 2012, Morgan Stanley gave Price notice that it intended to terminate the lending facility, and gave him until January 31, 2013 to move the account to another broker. Price held a telephone conference with investors in January 2013 in which he told them that he had decided to move assets from Morgan Stanley, but he did not tell them that Morgan Stanley had demanded it. Price was unable to move the account in time, and between February 23 and February 28, 2013, the assets of Capital Access were liquidated by Morgan Stanley. As a result of Price's reckless borrowing against the bonds held by Capital Access, some Capital Access investors suffered a total loss. However, those losses occurred after the Complaint was filed in the underlying action, and were not part of the disgorgement to which Price consented.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 7, 2016 in Los Angeles, California.


Lynn M. Dean

Stanley a letter in which he certified that the line of credit draws had been used "to complete asset transactions," including international and domestic real estate. Then, on January 14, 2013, when he was trying to move the bonds assets, Price falsely represented to another broker that the line of credit was used "to draw down the funds to buy real estate." Confronted with this last statement in deposition, Price was forced to admit that the money was loaned to investors and he had never asked how they had used the money.

Certificate of Service

I certify that on October 7, 2016, I caused the foregoing to be served on the following persons by the method of delivery indicated below.

Brent J. Fields, Secretary
Securities and Exchange Commission
100 F. Street, N.E., Mail Stop 1090
Washington, D.C. 20549

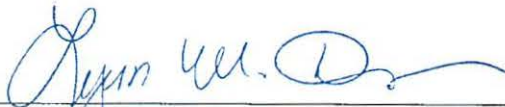
(by United Parcel Service)
(original and three copies)

Honorable Brenda J. Murray
Administrative Law Judge
100 F Street, N.E., Mail Stop 2557
Washington, D.C. 20549-2557

(by United Parcel Service and by
email to alj@sec.gov)

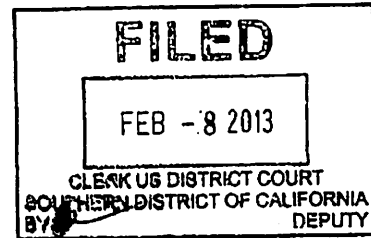
John E. Dolkart, Jr., Esq.
1750 Kettner Blvd, Suite 416
San Diego, CA 92101
Counsel For Respondent
George Charles Cody Price

(by United Parcel Service and by
email)



Lynn M. Dean

EXHIBIT 1



1 JOHN W. BERRY (*bar admission pending*, L.R. 83-3(c)(3))
2 Email: berryj@sec.gov
3 SAM S. PUATHASNANON, Cal. Bar No. 198430
4 Email: puathasnanons@sec.gov
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ORIGINAL

16 UNITED STATES DISTRICT COURT
17 SOUTHERN DISTRICT OF CALIFORNIA

18 SECURITIES AND EXCHANGE COMMISSION,

19 Plaintiff,

20 vs.

21 ABS MANAGER, LLC and GEORGE CHARLES
22 CODY PRICE,

23 Defendants,

24 ABS FUND, LLC [ARIZONA]; ABS FUND, LLC
25 [CALIFORNIA]; CAPITAL ACCESS, LLC;
26 CAVAN PRIVATE EQUITY HOLDINGS, LLC;
27 and LUCKY STAR EVENTS, LLC,

28 Relief Defendants.

Case No. '13 CV 0319 GPC JMA

COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAWS

Plaintiff Securities and Exchange Commission ("Commission") alleges as follows:

SUMMARY

1. The Commission brings this action to halt an ongoing fraudulent scheme perpetrated by Defendant George Charles Cody Price ("Price") through his unregistered investment advisory company, Defendant ABS Manager, LLC ("ABS Manager").

2. Since 2009, Defendants have raised approximately \$18.8 million from about 35

1 investors nationwide to invest in three funds managed by Defendants (collectively, the “Funds”)
2 – Relief Defendants ABS Fund, LLC in Arizona (“ABS Fund”), ABS Fund, LLC in California
3 (“Platinum Fund”) and Capital Access, LLC in Nevada (“Capital Access Fund”).

4 3. Defendants caused the Funds to purchase risky tranches of “collateralized
5 mortgage obligations,” or “CMOs.” CMOs are mortgage-based securities that pay the CMO
6 investors, depending on the class or “tranche” of CMO they hold, the cash flows generated from
7 the principal and interest payments on a pool of mortgages.

8 4. The Funds, however, did not purchase ordinary CMOs. Instead, without any
9 disclosure to the investors, Defendants caused the Funds to buy “Interest Only” (“IOs”) and
10 “Inverse Interest Only” (“Inverse IOs”) CMO tranches. These tranches of CMOs are among the
11 riskiest forms of CMOs. They only receive interest payments from the underlying mortgages;
12 IOs and Inverse IOs have no principal component. Therefore, as mortgages in the pool are
13 prepaid, paid down, re-financed or defaulted, the interest-only income stream from those
14 mortgages ceases. Not only did the Defendants fail to disclose to the Fund investors that the
15 Funds were invested in these risky securities, the Defendants also claimed that these securities
16 were “very safe,” “very secure” and “government bonds” – far from the truth given the very real
17 and significant investment risks associated with these unique and thinly traded tranches of
18 CMOs.

19 5. Worse, the IOs and Inverse IOs that the Funds owned lost significant value in
20 2010, 2011 and 2012. During that time, the total return on these investments was *negative* 2%;
21 and their annual returns never exceeded 3%. However, Defendants falsely represented to the
22 Fund investors that the Funds were “performing” “at or better” than 12-18% during this time,
23 and claimed that the IOs and Inverse IOs held by the Funds generated “returns” of 12.5% and
24 18%. Defendants also falsely claimed some IO and Inverse IO securities held by the Funds were
25 “performing” when, in fact, those securities had *expired* and were not generating any income for
26 the Funds at all.

27 6. Additionally, the Funds were only required to pay a management fee to ABS
28 Manager if their returns exceeded 12.5% or 18%, depending on the Fund. But because the

1 Funds' actual annual returns never exceeded 3% between 2010 and 2012, no fees should have
2 ever been paid during this period. Yet Defendants caused the Funds to pay Price and ABS
3 Manager about a half million dollars of Fund assets during this time. Not only did Defendants
4 misappropriate this amount, a substantial portion of it was distributed to two of the Relief
5 Defendants Cavan Private Equity Holdings, LLC ("Cavan Private Equity"), a company owned
6 by Price, and Lucky Star Events, LLC ("Lucky Star"), a company owned by Price's wife.

7 7. Furthermore, in radio shows and in private placement memoranda for the Funds'
8 offerings, Defendants misrepresented Price's professional experience and grossly inflated the
9 amount of funds under management.

10 8. By engaging in this conduct, Defendants have violated, and unless enjoined, will
11 continue to violate, the antifraud provisions of the federal securities laws and the provisions
12 prohibiting fraud by an investment adviser. Therefore, with this action, the Commission seeks
13 emergency relief against the Defendants, including a temporary restraining order, an asset freeze,
14 accountings, expedited discovery, an order prohibiting the destruction of documents, and the
15 appointment of a receiver over Defendants and the Funds. The Commission also seeks
16 preliminary and permanent injunctions, disgorgement with prejudgment interest and civil
17 penalties against Defendants.

18 JURISDICTION AND VENUE

19 9. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d)(1)
20 and 22(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77t(b), 77t(d)(1) &
21 77v(a)], Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27 of the Securities Exchange Act of 1934
22 ("Exchange Act") [15 U.S.C. §§ 78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa], and Sections 209(d),
23 209(e)(1) and 214 of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-
24 9(d), 80b-9(e)(1) and 90b-14].

25 10. Defendants Price and ABS Manager have, directly or indirectly, made use of the
26 means or instrumentalities of interstate commerce, of the mails, or of the facilities of a national
27 securities exchange in connection with the transactions, acts, practices and courses of business
28 alleged in this Complaint.

1 11. Venue is proper in this district pursuant to Section 22(a) of the Securities Act [15
2 U.S.C. § 77v(a)], Section 27 of the Exchange Act [15 U.S.C. § 78aa], and Section 214 of the
3 Advisers Act [15 U.S.C. § 80b-14] because certain of the transactions, acts, practices and courses
4 of conduct constituting violations of the federal securities laws occurred within this district. In
5 addition, venue is proper in this district because ABS Manager's principal place of business is in
6 this district and Price resides in this district.

7 **DEFENDANTS**

8 12. **ABS Manager, LLC**, formed in 2009 as an Arizona limited liability company,
9 has its principal places of business in Tempe, Arizona and La Jolla, California. In November
10 2012, ABS Manager applied to the State of California to register as an investment adviser. Its
11 application is pending.

12 13. **George Charles Cody Price**, age 34, resides in La Jolla, California. Price is the
13 sole manager and owner of ABS Manager.

14 **RELIEF DEFENDANTS**

15 14. **ABS Fund, LLC** ("ABS Fund"), formed in 2009 as an Arizona limited liability
16 company, has its principal place of business in Tempe, Arizona. ABS Fund's manager is ABS
17 Manager.

18 15. **ABS Fund, LLC** ("Platinum Fund"), formed in 2010 as a California limited
19 liability company, has its principal place of business in La Jolla, California. Platinum Fund's
20 manager is ABS Manager.

21 16. **Capital Access, LLC**, formed in 2011 as a Nevada limited liability company, has
22 its principal place of business in La Jolla, California. Capital Access Fund's manager is ABS
23 Manager.

24 17. **Cavan Private Equity Holdings, LLC**, formed in 2008 as an Arizona limited
25 liability company, has its principal place of business in Tempe, Arizona. Price is the managing
26 member of, and owns and manages Cavan Private Equity.

27 18. **Lucky Star Events, LLC**, formed in 2006 as an Arizona limited liability
28 company, has its principal place of business in Gilbert, Arizona. Lucky Star is in the business of

1 event planning. Price's wife is the sole member of Lucky Star.

2 **STATEMENT OF FACTS**

3 **A. Price's and ABS Manager's Investment Advisory Business**

4 19. ABS Manager is the manager for the three investment Funds – ABS
5 Fund, Platinum Fund and Capital Access Fund.

6 20. Price operates and controls ABS Manager. He is ABS Manager's sole member
7 and serves as its president and chief executive officer. In addition, Price was the administrative
8 and technical contact for the website, www.cafund.com, for the Funds managed by ABS
9 Manager.

10 **B. The Three Funds and Offerings, 2009-2012**

11 21. From 2009 to the present, ABS Manager and Price raised approximately
12 \$18.8 million, in three separate offerings, from about 35 investors. Defendants pooled the
13 investor funds into the three Funds. The investors received ownership interests in the Funds in
14 which they invested.

15 22. For each fund offering, Defendants distributed a private placement memorandum,
16 or "PPM," which purported to describe the terms of each Fund's offering.

17 23. In March 2009, Defendants first offered investors an investment in the ABS Fund.
18 The ABS Fund's PPM stated that the proceeds from its offering would be used to purchase
19 CMOs. The PPM does not provide any information on what type or tranche of CMO would be
20 purchased. Through this offering, the Defendants raised approximately \$2.4 million from 14
21 investors. The PPM promised a "return" of 18% .

22 24. Beginning in June 2010, Defendants offered investors an investment in the
23 Platinum Fund. The Platinum Fund's PPM stated that the proceeds from the offering would be
24 used to purchase CMOs. As with the ABS Fund, there was no disclosure of the type or tranche
25 of CMO that would be acquired. Defendants raised approximately \$14.1 million from 35
26 investors, which included investments "rolled over" from the ABS Fund. The Platinum Fund's
27 PPM promised a 12.5% "variable return," with a "minimum return" of 7.48%.

28 25. Finally, in June 2012, Defendants began offering investors the opportunity to

1 invest in its Capital Access Fund. Like the PPMs for the other two funds, the Capital Access
2 Fund PPM stated that the offering proceeds would be used to purchase CMOs and did not
3 divulge what form or tranche of CMO would be purchased. Defendants raised approximately
4 \$18.8 million from 35 investors, which, like the Platinum Fund, included investments “rolled
5 over” from the prior fund or funds. The Platinum Fund PPM promised a 12.5% “variable
6 return,” with a “minimum return” of 7.48%.

7 **C. The Funds’ Risky Investments in IOs and Inverse IOs**

8 26. Defendants, as manager of the Funds, invested Fund assets almost exclusively in
9 two particularly complex “tranches” of “Agency CMOs” – IOs and Inverse IOs.

10 27. Agency CMOs are securities that are issued or guaranteed by a government
11 agency (that is, the Government National Mortgage Association, or “Ginnie Mae”) or by
12 government-sponsored enterprises (that is, the Federal National Mortgage Association, or
13 “Fannie Mae,” and the Federal Home Loan Mortgage Corporation, or “Freddie Mac”). Since
14 2008, Agency CMOs have been backed by the full faith and credit of the U.S. government.

15 28. The IO and Inverse IO tranches of CMOs are among the riskiest types of CMOs
16 in existence. IOs and Inverse IOs only participate in the interest payment stream of the
17 mortgages in the pools underlying the CMOs; they have no principal component. That is, while
18 other CMO tranches benefit from the mortgage borrower’s payments on the principal of the
19 underlying mortgages, IOs and Inverse IOs do not.

20 29. The IO and Inverse IO tranches of CMOs receive only the interest payment from
21 the mortgage loan. Therefore, as the mortgages in the CMO are retired or redeemed (through
22 refinancing, payoff or default), that income stream decreases too. If the retirement or redemption
23 of underlying mortgages accelerates quickly enough – for example, as borrowers pay off their
24 loans more quickly than expected, or as prepayments increase with falling mortgage rates – then
25 the IO and Inverse IO tranches could expire more quickly and their holders may never even
26 recover the full amount of their initial investments. Other CMO tranches with a principal
27 payment component, on the other hand, do not face this risk because they receive principal
28 payments made on the mortgage loans as the mortgages are retired and redeemed.

1 30. Moreover, the “government backing” of Agency IOs and Inverse IOs is limited
2 because it only ensures that Agency IOs and Inverse IOs receive the *interest* payments from the
3 underlying mortgage loans that have not been retired or redeemed. There is no *principal*
4 guarantee. Once the underlying loan is retired or redeemed, then that interest income for the IO
5 or Inverse IO tranches is permanently lost. So, even though Agency IOs and Inverse IOs have a
6 form of a government guarantee, this does not guarantee that investors will recoup their original
7 investment or receive the interest income on the mortgage loans. As a result, while they have
8 negligible *credit* risk, the Agency-backed IOs and Inverse IOs that the Funds owned involve
9 considerable interest rate and prepayment risk, as well as market risk.

10 31. In 1993, the National Association of Securities Dealers, or “NASD,” issued a
11 notice to its members specifically warning of the risks associated with IOs and stating that “a
12 member may sell IOs only to a sophisticated investor maintaining a high-risk profile.”

13 **D. The Solicitation of Investors in the Funds**

14 32. Defendants solicited investors to invest in the Funds through newspaper
15 advertisements, radio spots, websites, mass-mailers, and referrals from accountants. Defendants
16 also created and distributed PPMs for each of the Funds to potential investors.

17 33. For example, from November 2010 through January 2011, Price regularly co-
18 hosted a radio show called “The Wealth Weekend Hour,” which aired on KFMB Radio in San
19 Diego, California. During these shows, Price recommended that listeners invest in the ABS
20 Fund. Price described how he started the fund using his Wall Street experience, including
21 working as an independent contractor for Goldman Sachs.

22 34. Price also represented that the ABS Fund was “safe” and “secure” because he
23 invested it in “government bonds,” including Ginnie Mae bonds. He stated that ABS Manager’s
24 “number one goal [was] preserving capital” and he promoted the fund as “the perfect fit for your
25 retirement funds.” Price said that his fund had paid its investors “double-digit returns” for the
26 previous two years. Finally, Price invited listeners to contact him for a free portfolio review and
27 offered that if the ABS Fund was not “right for you,” then he would refer the listener to another
28 professional.

1 35. In addition, Price promoted the three Funds as “safe & reliable” bonds”
2 “guaranteed by the U.S. Treasury Department” that paid extraordinary annualized returns
3 ranging from 7.5% to 18%. Indeed, the company tagline for the Capital Access Fund was “Your
4 Flight to Safety.”

5 **E. Defendants’ Misrepresentations and Omissions**

6 36. In soliciting potential investors in the Funds, in offering investments in the Funds,
7 and in reporting to the investors after they had invested, Defendants misrepresented or omitted
8 the disclosure of material information regarding their investments. These misrepresentations and
9 omissions were made in person, in newsletters, in websites, in Price’s radio show and in the
10 PPMs provided to the investors by Defendants.

11 **1. Failure to disclose the Funds’ investments in risky IOs and Inverse IOs**

12 37. Since 2009, each Funds’ PPM set forth the terms of the offering and disclosed
13 that the Funds would invest in CMOs. The PPMs also disclose some general risks associated
14 with investing in each Fund and regarding CMOs.

15 38. However, none of the Funds’ PPMs disclose that the Funds would invest in the
16 risky IO and Inverse IO tranches of CMOs. Nor did they disclose the specific characteristics and
17 risks associated with IOs and Inverse IOs.

18 39. Likewise, Price concealed the true nature of these investments in his monthly
19 newsletters, radio programs and external emails. For example, in radio shows and website
20 promotions, Price repeatedly stated that the securities held in the Funds were “government-
21 backed bonds” that were very safe and secure investments. Similarly, Price’s radio spots
22 claimed that the ABS Fund was “safe” and “secure” because he invested in “government bonds,”
23 including Ginnie Mae bonds. Price also stated that the Funds invested in “safe & reliable
24 bonds.” In addition, Price stated that the Funds’ “number one goal [was] preserving capital” and
25 he promoted the Funds as “the perfect fit for your retirement funds.”

26 40. These representations, and the failure to disclose that the Funds invested in only
27 IOs and Inverse IOs, were materially false and misleading. Price and ABS Manager also masked
28 the risks of investing in the Funds by promoting, deceptively, the benefits of CMOs generally -

1 benefits that are essentially unavailable to IO and Inverse IO tranches.

2 41. In fact, IOs and Inverse IO tranches of CMOs are not “safe,” “secure” or
3 “reliable.” On the contrary, they are exceptionally risky and extremely unpredictable securities.
4 Nor are they “government bonds” – “government backing” of agency-backed IOs and Inverse
5 IOs only applies to *credit* risk, not other critical risks like interest rate risk, prepayment risk and
6 market risk. This guarantee also does not ensure that investors will ever receive their original
7 investment in the Funds back.

8 42. In addition, in an investor communication, Defendants told investors that in the
9 “worse [*sic*] case scenario,” ABS Manager would simply “hold the bonds for 30 years and take
10 the interest.” This may be true of some Agency CMO tranches that have a principal component,
11 but it is not true for IOs and Inverse IOs tranches of CMOs. Because the income streams for IOs
12 and Inverse IOs decrease as mortgages in the underlying pool are retired or redeemed, many
13 “expire” (*i.e.*, the flow of interest payments stops) in less than 10 years.

14 **2. Misrepresentations regarding the Funds’ performance**

15 43. The Capital Access Fund’s PPM includes a table with the heading “ABS Fund
16 (AZ and CA) Historical Returns.” This table states that the ABS Fund earned 18% annualized
17 returns from January 1, 2009 through July 1, 2012, and that the Platinum Fund earned annualized
18 returns of 12.5% from January 1, 2010 through July 1, 2012. In addition, there is a second table
19 in the PPM that includes projected annualized returns for the Capital Access Fund of 12.5%.

20 44. Similarly, in an October 2010 email newsletter, Price wrote that “[a]ll of the
21 bonds are making well over 18% and will continue to do so for quite some time.” Price also
22 stated in radio shows that the Funds earned “extraordinary” and “high, double-digit” returns.

23 45. Also, as of January 2013, the Capital Access Fund website, www.cafund.com,
24 included a “Historic Reference” table showing consistent monthly returns of 1.04% (12.5%
25 annualized) from January 2010 through June 2012.

26 46. Moreover, the monthly account statements that Defendants distributed to
27 investors falsely represented that investors had earned an annualized return equal to either 18%
28 (for the ABS Fund) or 12.5% (for the Platinum Fund and Capital Access Fund). The monthly

1 account statements that Defendants sent investors in the Funds also claimed that each CMO held
 2 by the Fund was “[p]erforming at 18% or better” (for the ABS Fund statements) or “12% or
 3 better” (for the Platinum Fund and Capital Access Fund statements).

4 47. These representations about the Funds’ performance were false and misleading
 5 because the funds were not performing at these rates of return. From 2010 to 2012, the
 6 underlying value of the IOs and Inverse IOs held by the Funds decreased significantly during this
 7 time. As a result, the actual total return on investment in the Funds was *negative* for this three-
 8 year period. The chart below demonstrates this, showing the Funds’ return on investment based
 9 on the interest payments received from the IOs and Inverse IOs, the appreciation or appreciation
 10 in value of the underlying IO and Inverse IO securities held by the Funds, and the total return on
 11 investment taking both the interest payments and the gain/loss in value of the securities:

Year	Interest Received	Gain/(Loss) in Value	Total Return
2010	29%	(36%)	(7%)
2011	19%	(16%)	3%
2012	19%	(21%)	(2%)
Overall Performance¹	24%	(26%)	(2%)

12
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 16
 17
 18
 19 48. Price was aware that the Funds were not performing at the 12-18% “returns”
 20 Defendants claimed. In Price’s internal email sent to ABS Manager’s independent contractors
 21 on April 28, 2010, he stated that the contractors would not be paid for at least three months
 22 because the “ABS Fund is upside down 5% in principal value.” Although Price admitted to his
 23 staff that the ABS Fund was not profitable, ABS Manager hid this information from investors
 24 and continued to send them monthly statements in April and May 2010 stating that the ABS
 25 Fund was performing at 18%.
 26
 27

28 ¹ The overall performance of the underlying CMOs in all three Funds is calculated from the date of purchase to the date of sale or, if no sale, to December 31, 2012.

1 **3. Misrepresentations about Price's prior investment experience**

2 49. Since 2009, Price included a detailed biography highlighting his education and
3 experience in the PPMs and on ABS Manager-run websites. This biography stated, among other
4 things, that he "began dealing with the buying and selling of mortgage pools on the secondary
5 market" at Wells Fargo and who had worked as consultant and independent contractor at
6 Goldman Sachs "where he was responsible for the buying and selling of mortgage pools worth
7 hundreds of millions of dollars." Price made the same representation to investors on the radio
8 shows, during telephone calls, and in seminar presentations.

9 50. These representations were false. Price never worked in any capacity at Goldman
10 Sachs. Additionally, he worked at Wells Fargo only in mortgage *origination* and was not
11 involved in trading mortgage securities or securitization there.

12 **4. Misrepresentations about ABS Manager's assets under management**

13 51. Price also overstated the assets of the Funds. For example, the Platinum Fund's
14 PPM stated that the fund had "company owned assets" of \$62.4 million as of June 1, 2010.
15 Similarly, one of ABS Manager's many websites, *www.absbondfund.com*, stated that the "ABS
16 Fund has grown to having [\$]72 million assets under management as of May 2011."

17 52. These inflated numbers were false. As of December 2010, ABS Manager's assets
18 under management of the Funds was only about \$1.3 million; as of December 2011, it was about
19 \$3.5 million; and as of December 2012, it was about \$16.2 million. Brokerage and bank records
20 of the Funds reflect that they never had more than \$18.8 million in assets at year-end during this
21 three-year period.

22 **F. Defendants' Misappropriation from the Funds**

23 53. The PPMs for the Funds stated that ABS Manager would be compensated *only*
24 *after* investors received the maximum annual return promised (18% for ABS Fund, and 12.5%
25 for Platinum Fund and Capital Access Fund). The PPMs also provided that ABS Manager could
26 charge a 0.5% management "set-up fee" to cover expenses.

27 54. However, as discussed above, in 2010, 2011 and 2012, the Funds' actual returns
28 never exceeded 3% – far below the 12.5% or 18% promised in the Funds' PPMs. Therefore,

1 ABS Manager should never have received a management fee during that time. Nevertheless,
2 Defendants withdrew cash from the Funds each month, without regard for the Funds' actual
3 performance.

4 55. Specifically, from 2010 through 2012, ABS Manager received \$43,464 from the
5 Funds. Also during this period, the Funds made payments of \$384,200 to Price and of \$158,868
6 to the company he owns, Relief Defendant Cavan Private Equity. The Funds also paid \$24,890
7 to Relief Defendant Lucky Star – the company owned by Price's wife – and paid Price's brothers
8 \$39,862. Finally, the Funds paid for \$21,118 for Price's travel, entertainment and personal
9 expenses from 2010 to 2012.

10 56. The total improper payments from 2010 to 2012, less ABS Manager's set-up fee,
11 was \$578,402.

12 57. These payments were improper and misappropriated because Defendants were not
13 entitled to *any* payment from the Funds from 2010 to 2012.

14 58. Relief Defendants Cavan Private Equity and Lucky Star received proceeds from
15 the fraud, have no legitimate claim to those funds, and would be unjustly enriched to the
16 detriment of injured investors if they were permitted to keep the funds.

17 **G. Defendants' Knowledge of the Fraudulent Conduct**

18 59. As the sole manager of ABS Manager, and the one who managed and operated
19 the firm, Price received monthly statements from the Funds' brokerage firms and knew the
20 amount and nature of securities held by each Fund. Price knew, or was reckless in not knowing,
21 that the Funds were investing almost, if not, exclusively in IO and Inverse IO tranches of CMOs.

22 60. Accordingly, Price knew, or was reckless in not knowing, that the Funds'
23 investments in IOs and Inverse IOs was not disclosed to Fund investors. He also knew, or was
24 reckless in not knowing, that representations about the Funds' CMO investments (such as that
25 they were "safe" or "secure") were false and misleading. He also knew, or was reckless in not
26 knowing, that it was not disclosed to Fund investors that the repayment of an investor's initial
27 investment would not be guaranteed by the government.

28 61. Price also knew, or was reckless in not knowing, that the actual performance of

1 the individual CMOs and whether they had expired. Price acknowledged in a 2010 email that
2 ABS Fund had incurred losses and was “upside down.” Therefore, Price knew or was reckless in
3 not knowing that the representations made to investors regarding the performance of the Funds,
4 as well as the so-called “returns” paid to investors, were false and misleading.

5 62. Finally, Price knew or was reckless in not knowing that representations that he
6 had worked for Goldman Sachs in any capacity and that he was involved in trading in securities
7 or securitization while at Wells Fargo were false and misleading.

8 63. Price also knew or was reckless in not knowing that ABS Manager was not
9 entitled to receive any compensation from the Funds given their actual returns in 2010, 2011 and
10 2012, and therefore any payments from the Funds to Price, ABS Manager, the Relief Defendants
11 or for the benefit of Price were improper and misappropriated.

12 **FIRST CLAIM FOR RELIEF**

13 **(Against All Defendants)**

14 **Fraud by an Investment Adviser**

15 **Violations of Sections 206(1) and 206(2) of the Advisers Act**

16 64. The Commission realleges and incorporates by reference paragraphs 1 through 63
17 above.

18 65. Defendants ABS Manager and Price, by engaging in the conduct described above,
19 directly or indirectly, by use of the mails or means and instrumentalities of interstate commerce:

20 (a) with scienter, employed or are employing devices, schemes or artifices to
21 defraud clients or prospective clients; or

22 (b) engaged in or are engaging in transactions, practices, or courses of
23 business which operated as a fraud or deceit upon clients or prospective clients.

24 66. By engaging in the conduct described above, ABS Manager and Price, violated,
25 and unless restrained and enjoined will continue to violate, Sections 206(1) and (2) of the
26 Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)].

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28

- 1 (a) with scienter, employed devices, schemes, or artifices to defraud;
- 2 (b) obtained money or property by means of untrue statements of a material
- 3 fact or by omitting to state a material fact necessary in order to make the statements made, in
- 4 light of the circumstances under which they were made, not misleading; or
- 5 (c) engaged in transactions, practices, or courses of business which operated
- 6 or would operate as a fraud or deceit upon the purchaser.

7 72. By engaging in the conduct described above, ABS Manager and Price, violated,

8 and unless restrained and enjoined will continue to violate, Sections 17(a)(1), 17(a)(2) and

9 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)].

10 **FOURTH CLAIM FOR RELIEF**

11 (Against All Defendants)

12 **Fraud in Connection with the Purchase or Sale of Securities**

13 **Violations Of Section 10(b) Of The Exchange Act and Rule 10b-5**

14 73. The Commission realleges and incorporates by reference paragraphs 1 through 63

15 above.

16 74. ABS Manager and Price, by engaging in the conduct described above, directly or

17 indirectly, in connection with the purchase or sale of a security, by the use of means or

18 instrumentalities of interstate commerce, of the mails, or of the facilities of a national securities

19 exchange, with scienter:

- 20 (a) employed devices, schemes, or artifices to defraud;
- 21 (b) made untrue statements of a material fact or omitted to state a material fact
- 22 necessary in order to make the statements made, in the light of the circumstances under which
- 23 they were made, not misleading; or
- 24 (c) engaged in acts, practices, or courses of business which operated or would
- 25 operate as a fraud or deceit upon other persons.

26 75. By engaging in the conduct described above, ABS Manager and Price, violated,

27 and unless restrained and enjoined will continue to violate, Section 10(b) of the Exchange Act

28 [15 U.S.C. § 78j(b)], and Rule 10b-5(a-c) thereunder [17 C.F.R. § 240.10b-5].

1 **FIFTH CLAIM FOR RELIEF**

2 (Against Price)

3 **Control Person Liability**

4 **Violations Of Section 20(a) Of The Exchange Act**

5 76. The Commission realleges and incorporates by reference paragraphs 1 through 63
6 above.

7 77. ABS Manager, by engaging in the conduct described above, violated one or more
8 of the federal securities laws.

9 78. Defendant Price, by engaging in the conduct described above, is, or was at the
10 time the acts and conduct set forth herein were committed, directly or indirectly, a person who
11 controlled and exercised actual power over Defendant ABS Manager.

12 79. By engaging in the conduct described above, under Section 20(a) of the Exchange
13 Act [15 U.S.C. § 78t(a)], Defendant Price is jointly and severally liable with, and to the same
14 extent as, Defendant ABS Manager for its violations of Section 10(b) of the Exchange Act [15
15 U.S.C. § 78j(b)], and Rule 10b-5(a-c) thereunder [17 C.F.R. § 240.10b-5].

16 **PRAYER FOR RELIEF**

17 WHEREFORE, the Commission respectfully requests that the Court:

18 **I.**

19 Issue findings of fact and conclusions of law that ABS Manager and Price committed the
20 alleged violations.

21 **II.**

22 Issue judgments, in forms consistent with Rule 65(d) of the Federal Rules of Civil
23 Procedure, temporarily, preliminarily and permanently enjoining Defendants ABS Manager and
24 Price, and their agents, servants, employees, and attorneys, and those persons in active concert or
25 participation with any of them, who receive actual notice of the judgment by personal service or
26 otherwise, and each of them, from violating Sections 206(1), 206(2), and 206(4) of the Advisers
27 Act [15 U.S.C. §§ 80b-6(1), (2) and (4)] and Rule 206(4)-8 thereunder [17 C.F.R. § 275.206(4)-
28 8], Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], and Section 10(b) of the Exchange

1 Act [15 U.S.C. §§ 78j(b) and 78t(a)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

2 **III.**

3 Issue, in a form consistent with Rule 65 of the Federal Rules of Civil Procedure, a
4 temporary restraining order and a preliminary injunction freezing the assets of Defendants ABS
5 Manager and Price, and of Relief Defendants ABS Fund, Platinum Fund and Capital Access
6 Fund; Cavan Private Equity and Lucky Star, and prohibiting each of them from destroying
7 documents, granting expedited discovery, requiring accountings from all Defendants and Relief
8 Defendants, and appointing a Receiver over Defendant ABS Manager and over Relief
9 Defendants ABS Fund, Platinum Fund and Capital Access Fund.

10 **IV.**

11 Order Defendants ABS Manager and Price to disgorge all funds received from their
12 illegal conduct, together with prejudgment interest thereon.

13 **V.**

14 Order Relief Defendants ABS Fund, Platinum Fund, Capital Access Fund, Cavan Private
15 Equity and Lucky Star to disgorge all ill-gotten gains they received, together with prejudgment
16 interest thereon.

17 **VI.**

18 Order Defendants ABS Manager and Price to pay civil penalties under Section 20(d) of
19 the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C.
20 § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)].

21 **VII.**

22 Retain jurisdiction of this action in accordance with the principles of equity and the
23 Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and
24 decrees that may be entered, or to entertain any suitable application or motion for additional
25 relief within the jurisdiction of this Court.

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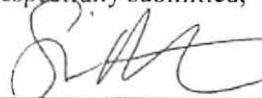
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VIII.

Grant such other and further relief as this Court may determine to be just and necessary.

Dated: February 8, 2013

Respectfully submitted,



John W. Berry
Sam S. Puathasnanon
Lynn M. Dean
Attorneys for Plaintiff
Securities and Exchange Commission

I hereby attest and certify on Dec 15, 2015, that the foregoing document is a full, true and correct copy of the original on file in my office and in my legal custody.

Clerk, U.S. District Court
Southern District of California



By: s/ B. Anderson
Deputy

EXHIBIT 2

1 SAM S. PUATHASNANON, Cal. Bar No. 198430
Email: puathasnanons@sec.gov
2 LYNN M. DEAN, Cal. Bar No. 205562
Email: deanl@sec.gov
3 GARY Y. LEUNG, Cal. Bar No. (admission pending)
Email: leungg@sec.gov

4 Attorneys for Plaintiff
5 Securities and Exchange Commission
Michele Wein Layne, Regional Director
6 Lorraine B. Echavarría, Associate Regional Director
John W. Berry, Regional Trial Counsel
7 5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036
8 Telephone: (323) 965-3998
Facsimile: (323) 965-3815

9
10 **UNITED STATES DISTRICT COURT**
11 **SOUTHERN DISTRICT OF CALIFORNIA**

12 **SECURITIES AND EXCHANGE**
13 **COMMISSION,**

14 Plaintiff,

15 vs.

16 **ABS MANAGER, LLC and GEORGE**
17 **CHARLES CODY PRICE,**

18 Defendants,

19 **ABS FUND, LLC [ARIZONA]; ABS**
20 **FUND, LLC [CALIFORNIA]; CAPITAL**
21 **ACCESS, LLC; CAVAN PRIVATE**
22 **EQUITY HOLDINGS, LLC; and LUCKY**
23 **STAR EVENTS, LLC,**

24 Relief Defendants.
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Case No. 13 CV 0319 GPC (BGS)

CONSENT OF DEFENDANT
GEORGE CHARLES CODY
PRICE

1 **CONSENT OF DEFENDANT GEORGE CHARLES CODY PRICE**

2 1. Defendant George Charles Cody Price (“Defendant”) acknowledges
3 having been served with the complaint in this action, enters a general appearance,
4 and admits the Court’s jurisdiction over Defendant and over the subject matter of
5 this action.

6 2. Without admitting or denying the allegations of the complaint (except
7 as provided herein in paragraph 12 and except as to personal and subject matter
8 jurisdiction, which Defendant admits), Defendant hereby consents to the entry of
9 the final Judgment in the form attached hereto (the “Final Judgment”) and
10 incorporated by reference herein, which, among other things:

- 11 a) permanently restrains and enjoins Defendant from violation of
12 Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)];
13 b) permanently restrains and enjoins Defendant from violation of
14 Section 10(b) of the Securities Exchange Act of 1934 (the
15 “Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5
16 promulgated thereunder [17 C.F.R. § 240.10b-5];
17 c) permanently restrains and enjoins Defendant from violation of
18 Section 206 of the Investment Adviser Act of 1940 [15 U.S.C.
19 §§ 80b-6]; and Rule 206(4)-8 thereunder [17 C.F.R.
20 § 275.206(4)-8];
21 d) orders Defendant to pay, jointly and severally with co-
22 Defendant ABS Manager, LLC, disgorgement of \$339,900,
23 together with prejudgment interest thereon in the amount of
24 \$22,748.83; and
25 e) orders Defendant to pay a civil penalty in the amount of
26 \$150,000 under Section 20(d) of the Securities Act, Section
27 21(d)(3) of the Exchange Act, and Section 209(e) of the
28 Advisers Act [15 U.S.C. § 80b-9(c)].

1 3. Defendant acknowledges that pursuant to Section 308(a) of the
2 Sarbanes-Oxley Act of 2008, the civil penalty paid by Defendant may be added to
3 and become part of a disgorgement fund or other fund established for the benefit of
4 investors ("Fund"). The SEC may propose a plan to distribute the Fund subject to
5 the Court's approval. Regardless of whether any the Fund is established or any
6 distribution is made, the civil penalty shall be treated as a penalty paid to the
7 government for all purposes, including all tax purposes. To preserve the deterrent
8 effect of the civil penalty, Defendant agrees that he shall not, after offset or
9 reduction of any award of compensatory damages in any Related Investor Action
10 based on Defendant's payment of disgorgement in this action, argue that he is
11 entitled to, nor shall he further benefit by, offset or reduction of such compensatory
12 damages award by the amount of any part of Defendant's payment of a civil
13 penalty in this action ("Penalty Offset"). If the court in any Related Investor
14 Action grants such a Penalty Offset, Defendant agrees that he shall, within 30 days
15 after entry of a final order granting the Penalty Offset, notify the Securities and
16 Exchange Commission's ("SEC") counsel in this action and pay the amount of the
17 Penalty Offset to the United States Treasury or to a Fund, as the SEC directs. Such
18 a payment shall not be deemed an additional civil penalty and shall not be deemed
19 to change the amount of the civil penalty imposed in this action. For purposes of
20 this paragraph, a "Related Investor Action" means a private damages action
21 brought against Defendant by or on behalf of one or more investors based on
22 substantially the same facts as alleged in the Complaint in this action.

23 4. Defendant agrees that he shall not seek or accept, directly or
24 indirectly, reimbursement or indemnification from any source, including but not
25 limited to payment made pursuant to any insurance policy, with regard to any civil
26 penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of
27 whether such penalty amounts or any part thereof are added to a distribution fund
28 or otherwise used for the benefit of investors. Defendant further agrees that he

1 shall not claim, assert, or apply for a tax deduction or tax credit with regard to any
2 federal, state, or local tax for any penalty amounts that Defendant pays pursuant to
3 the Final Judgment, regardless of whether such penalty amounts or any part thereof
4 are added to a distribution fund or otherwise used for the benefit of investors.

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

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

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

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

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

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

24 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the
25 claims asserted against Defendant in this civil proceeding. Defendant
26 acknowledges that no promise or representation has been made by the SEC or any
27 member, officer, employee, agent, or representative of the SEC with regard to any
28 criminal liability that may have arisen or may arise from the facts underlying this

1 action or immunity from any such criminal liability. Defendant waives any claim
2 of Double Jeopardy based upon the settlement of this proceeding, including the
3 imposition of any remedy or civil penalty herein. Defendant further acknowledges
4 that the Court's entry of a permanent injunction may have collateral consequences
5 under federal or state law and the rules and regulations of self-regulatory
6 organizations, licensing boards, and other regulatory organizations. Such collateral
7 consequences include, but are not limited to, a statutory disqualification with
8 respect to membership or participation in, or association with a member of, a self-
9 regulatory organization. This statutory disqualification has consequences that are
10 separate from any sanction imposed in an administrative proceeding. In addition,
11 in any disciplinary proceeding before the SEC based on the entry of the injunction
12 in this action, Defendant understands that he shall not be permitted to contest the
13 factual allegations of the complaint in this action.

14 12. Defendant understands and agrees to comply with the terms of 17
15 C.F.R. § 202.5(e), which provides in part that it is the SEC's policy "not to permit
16 a defendant or respondent to consent to a judgment or order that imposes a
17 sanction while denying the allegations in the complaint or order for proceedings,"
18 and "a refusal to admit the allegations is equivalent to a denial, unless the
19 defendant or respondent states that he neither admits nor denies the allegations."
20 As part of Defendant's agreement to comply with the terms of Section 202.5(e),
21 Defendant: (i) will not take any action or make or permit to be made any public
22 statement denying, directly or indirectly, any allegation in the complaint or
23 creating the impression that the complaint is without factual basis; (ii) will not
24 make or permit to be made any public statement to the effect that Defendant does
25 not admit the allegations of the complaint, or that this Consent contains no
26 admission of the allegations, without also stating that Defendant does not deny the
27 allegations; (iii) upon the filing of this Consent, Defendant hereby withdraws any
28 papers filed in this action to the extent that they deny any allegation in the


1 complaint; and (iv) stipulates solely for purposes of exceptions to discharge set
2 forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, that the allegations
3 in the complaint are true, and further, that any debt for disgorgement, prejudgment
4 interest, civil penalty or other amounts due by Defendant under the Final Judgment
5 or any other judgment, order, consent order, decree or settlement agreement
6 entered in connection with this proceeding, is a debt for the violation by Defendant
7 of the federal securities laws or any regulation or order issued under such laws, as
8 set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19). If
9 Defendant breaches this agreement, the SEC may petition the Court to vacate the
10 Final Judgment and restore this action to its active docket. Nothing in this
11 paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal
12 or factual positions in litigation or other legal proceedings in which the SEC is not
13 a party.

14 13. Defendant hereby waives any rights under the Equal Access to Justice
15 Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any
16 other provision of law to seek from the United States, or any agency, or any
17 official of the United States acting in his or her official capacity, directly or
18 indirectly, reimbursement of attorney's fees or other fees, expenses, or costs
19 expended by Defendant to defend against this action. For these purposes,
20 Defendant agrees that Defendant is not the prevailing party in this action since the
21 parties have reached a good faith settlement.

22 14. Defendant agrees that the SEC may present the Final Judgment to the
23 Court for signature and entry without further notice.

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

26
27 Dated: 4-30-15


George Charles Cody Price

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On April 30, 2015, George Charles Cody Price, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

See Attached Acknowledgment

Notary Public
Commission expires: 12-5-18

Approved as to form:

/s/ Mark Chester
MARK CHESTER
CHESTER AND SHEIN
Attorneys for Defendants
George Charles Cody Price and
ABS Manager

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)
On 4-30-15 before me, Tessa Patti, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared George Charles Cady Price
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Tessa Patti
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

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,
444 S. Flower Street, Suite 900, Los Angeles, California 90071-9591
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1905.

On June 26, 2015, I caused to be served the document entitled **CONSENT OF DEFENDANT GEORGE CHARLES CODY PRICE** 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.

UNITED PARCEL SERVICE: By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS 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.

E-FILING: By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

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

I declare under penalty of perjury that the foregoing is true and correct.

Date: June 26, 2015

/s/ Lynn M. Dean
Lynn M. Dean

1 SEC v. ABS Manager, LLC, et. al.
2 United States District Court – Southern District of California
3 Case No. 13 cv 00319 GPC (BGS)

4 SERVICE LIST

5 John E. Dolkart, Esq.
6 1750 Kettner Boulevard, Suite 416
7 San Diego, CA 92101
8 Email: john@dolkartlaw.com
9 *Attorney for Defendants*

10 Mark Chester, Esq.
11 Gainey Ranch Corporate Center
12 8777 N. Gainey Center Drive, Suite 191
13 Scottsdale, Arizona 85258
14 Email: mchester@cslawyers.com
15 *Attorney for Relief Defendants*

16
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19 I hereby attest and certify on Dec 15, 2015 that the foregoing
20 document is a full, true and correct copy of the original on file
21 in my office and in my legal custody.
22 Clerk, U.S. District Court
23 Southern District of California
24 By: s/ B. Anderson
25 Deputy
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EXHIBIT 3

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

ABS MANAGER, LLC and GEORGE
CHARLES CODY PRICE,

Defendants,

ABS FUND, LLC [ARIZONA]; ABS
FUND, LLC [CALIFORNIA]; CAPITAL
ACCESS, LLC; CAVAN PRIVATE
EQUITY HOLDINGS, LLC; and LUCKY
STAR EVENTS, LLC,

Relief Defendants.

Case No. 13 CV 0319 GPC (BGS)

**FINAL JUDGMENT AS TO
DEFENDANT GEORGE
CHARLES CODY PRICE**

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**FINAL JUDGMENT AS TO DEFENDANT
GEORGE CHARLES CODY PRICE**

The Securities and Exchange Commission (“SEC”) having filed a Complaint and Defendant George Charles Cody Price (“Defendant”) 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 without admitting or denying the allegations of the Complaint (except as to jurisdiction and except as otherwise provided herein in paragraph VI); 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

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

7 (a) to employ any device, scheme, or artifice to defraud;

8 (b) to obtain money or property by means of any untrue statement of a
9 material fact or any omission of a material fact necessary in order to make
10 the statements made, in light of the circumstances under which they were
11 made, not misleading; or

12 (c) to engage in any transaction, practice, or course of business which
13 operates or would operate as a fraud or deceit upon the purchaser.

14 III.

15 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
16 that Defendant and Defendant’s agents, servants, employees, attorneys, and all
17 persons in active concert or participation with them who receive actual notice of
18 this Final Judgment by personal service or otherwise are permanently restrained
19 and enjoined from violating Section 206 of the Investment Advisers Act of 1940
20 (“Advisers Act”) [15 U.S.C. § 80b-6] by use of the mails or means and
21 instrumentalities of interstate commerce:

22 (a) to employ devices, schemes or artifices to defraud clients or
23 prospective clients; or

24 (b) engage in transactions, practices, or courses of business which operate
25 as a fraud or deceit upon clients or prospective clients.

26 IV.

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
28 that Defendant and Defendant’s agents, servants, employees, attorneys, and all

1 persons in active concert or participation with them who receive actual notice of
2 this Final Judgment by personal service or otherwise are permanently restrained
3 and enjoined from violating Section 206(4) of the Advisers Act [15 U.S.C. § 80b-
4 6(4)] and Rule 206(4)-8 [17 C.F.R. § 240.206(4)-8] promulgated thereunder by use
5 of the mails or means and instrumentalities of interstate commerce:

6 (a) make untrue statements of a material fact or omit to state a material
7 fact necessary in order to make the statements made, in the light of the
8 circumstances under which there were made, not misleading, to any investor or
9 prospective investor in the pooled investment vehicle; or

10 (b) engage in acts, practices, or courses of business that are fraudulent,
11 deceptive, or manipulative with respect to any investor or prospective investor in
12 the pooled investment vehicle.

13 V.

14 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
15 that Defendant is liable, jointly and severally with co-Defendant ABS Manager,
16 LLC, for disgorgement of \$339,900, representing profits gained as alleged in the
17 Complaint, together with prejudgment interest thereon in the amount of
18 \$22,748.83. Defendant is also individually liable for a civil penalty in the amount
19 of \$150,000 pursuant to Section 20(d) of the Securities Act, Section 21(d)(3) of the
20 Exchange Act, and Section 209(e) of the Advisers Act. Defendant shall satisfy
21 these obligations by paying \$512,648.83 to the Securities and Exchange
22 Commission within 14 days after entry of this Final Judgment.

23 Defendant may transmit payment electronically to the SEC, which will
24 provide detailed ACH transfer/Fedwire instructions upon request. Payment may
25 also be made directly from a bank account via Pay.gov through the SEC website at
26 <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified
27 check, bank cashier's check, or United States postal money order payable to the
28 Securities and Exchange Commission, which shall be delivered or mailed to

1 Enterprise Services Center
2 Accounts Receivable Branch
3 6500 South MacArthur Boulevard
4 Oklahoma City, OK 73169

5 and shall be accompanied by a letter identifying the case title, civil action number,
6 and name of this Court; George Charles Cody Price as a defendant in this action;
7 and specifying that payment is made pursuant to this Final Judgment.

8 Defendant shall simultaneously transmit photocopies of evidence of
9 payment and case identifying information to the SEC's counsel in this action. By
10 making this payment, Defendant relinquishes all legal and equitable right, title, and
11 interest in such funds and no part of the funds shall be returned to Defendant.

12 The SEC may enforce the Court's judgment for disgorgement and
13 prejudgment interest by moving for civil contempt (and/or through other collection
14 procedures authorized by law) at any time after 14 days following entry of this
15 Final Judgment. Defendant shall pay post judgment interest on any delinquent
16 amounts pursuant to 28 U.S.C. § 1961. The SEC shall hold the funds, together
17 with any interest and income earned thereon (collectively, the "Fund"), pending
18 further order of the Court.

19 The SEC may propose a plan to distribute the Fund subject to the Court's
20 approval. Pursuant to the provisions of Section 308(a) of the Sarbanes-Oxley Act
21 of 2002, the civil penalty paid by Defendant may be added to and become part of
22 the Fund. The Court shall retain jurisdiction over the administration of any
23 distribution of the Fund. If the SEC staff determines that the Fund will not be
24 distributed, the SEC shall send the funds paid pursuant to this Final Judgment to
25 the United States Treasury.

26 Regardless of whether any such distribution is made, amounts ordered to be
27 paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to
28 the government for all purposes, including all tax purposes. To preserve the

1 deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of
2 any award of compensatory damages in any Related Investor Action based on
3 Defendant's payment of disgorgement in this action, argue that he is entitled to,
4 nor shall he further benefit by, offset or reduction of such compensatory damages
5 award by the amount of any part of Defendant's payment of a civil penalty in this
6 action ("Penalty Offset"). If the court in any Related Investor Action grants such a
7 Penalty Offset, Defendant shall, within 30 days after entry of a final order granting
8 the Penalty Offset, notify the SEC's counsel in this action and pay the amount of
9 the Penalty Offset to the United States Treasury or to a Fund, as the SEC directs.
10 Such a payment shall not be deemed an additional civil penalty and shall not be
11 deemed to change the amount of the civil penalty imposed in this Judgment. For
12 purposes of this paragraph, a "Related Investor Action" means a private damages
13 action brought against Defendant by or on behalf of one or more investors based
14 on substantially the same facts as alleged in the Complaint in this action.

15 VI.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely
17 for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy
18 Code, 11 U.S.C. §523, the allegations in the complaint are true and admitted by
19 Defendant, and further, any debt for disgorgement, prejudgment interest, civil
20 penalty or other amounts due by Defendant under this Final Judgment or any other
21 judgment, order, consent order, decree or settlement agreement entered in
22 connection with this proceeding, is a debt for the violation by Defendant of the
23 federal securities laws or any regulation or order issued under such laws, as set
24 forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

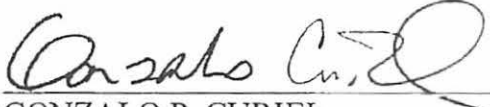
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VII.

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.

Dated: July 16, 2015



GONZALO P. CURIEL
UNITED STATES DISTRICT JUDGE

I hereby attest and certify on Dec 15, 2015 that the foregoing document is a full, true and correct copy of the original on file in my office and in my legal custody.

Clerk, U.S. District Court
Southern District of California

By: s/ B. Anderson
Deputy

