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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **WESTERN DIVISION**

12 DAVID A GILL, solely in his capacity as
Permanent Receiver in the matter of
13 *Securities and Exchange Commission vs.*
Diversified Lending Group, Inc.; Applied
14 *Equities, Inc.; Scott Siemers and Tina M.*
Placourakis, U.S.D.C. Case No. CV 09-
15 *01533-R-SS,*

16 Plaintiff,

17 vs.

18 BRUCE F. FRIEDMAN, an individual, et
al.,

19 Defendants.
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Case No. 10-CV-01554-R (SSx)

**FINAL JUDGMENT AGAINST
BRUCE FRIEDMAN**

1 The Court, having considered the Application for Final Judgment Against
2 Defendant Bruce Friedman (“the Application”) submitted by David A. Gill (“the
3 Receiver”), the exhibits and declarations submitted in support of the Application,
4 the other documents on file, and the applicable law, has concluded that the
5 Receiver’s Application shall be granted in its entirety.

6
7 The Receiver has complied with all the procedural requirements of Federal
8 Rule of Civil Procedure 55 and Local Rule 55-1. Additionally, the Court has
9 considered the seven factors enumerated in *Eitel v. McCool*, 782 F.2d 1470, 1471-
10 72 (9th Cir. 1986), and determined that granting a default judgment against
11 Defendant Friedman is appropriate.

12
13 While policy generally favors decisions on the merits, Defendant Friedman’s
14 failure to Answer the Complaint renders such a decision impossible. There appears
15 to be no likelihood of dispute concerning the material facts of this case, and
16 Defendant Friedman’s default is not due to excusable neglect.

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18 Furthermore, the Court finds there is no just reason to delay entry of Final
19 Judgment against Bruce Friedman. *See* Fed. R. Civ. Proc. 54(b). As the principal of
20 Diversified Lending Group, Inc., and the primary wrongdoer in this Action, Mr.
21 Friedman is uniquely positioned in this litigation. The claims against him, and any
22 possible defenses thereto, do not depend on resolution of the Receiver’s claims
23 against any other defendant. Conversely, the Receivership Estate will immediately
24 benefit from a Final Judgment against Mr. Friedman at this time.

25
26 The factual allegations from the First Amended Complaint (“FAC”) are taken
27 as true. *See Geddes v. United Fin. Grp.*, 559 F. 2d 557, 560 (9th Cir. 1977). The
28 Court has considered those factual allegations in the FAC, along with the evidence

1 submitted in support of the Receiver's Application, including a declaration and
2 exhibit from the Receiver's accountant, and the Court finds that Mr. Friedman is
3 liable on the fraudulent transfer claims in the amount of \$37,354,445.80.

4

5 It is, therefore, ORDERED, ADJUDGED AND, DECREED that Defendant
6 Bruce Friedman is liable on the following claims:

- 7 (1) Claim 9 for avoidance and recovery of fraudulent transfers;
8 (2) Claim 10 for avoidance and recovery of fraudulent transfers;
9 (3) Claim 11 for avoidance and recovery of fraudulent transfers; and
10 (4) Claim 12 for avoidance and recovery of fraudulent transfers.

11 The Receiver is entitled to damages in the amount of \$37,354,445.80 from
12 Defendant Bruce Friedman.

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14 It is further ORDERED that, since there is no just reason for delay, this
15 JUDGMENT is to be entered forthwith as a Final Judgment.

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17 Dated: August 30, 2011



MANUEL L. REAL
U.S. DISTRICT JUDGE

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