

1 GEORGE E. SCHULMAN (State Bar No. 064572)
 gschulman@dgd.com
 2 KATHY BAZOIAN PHELPS (State Bar No. 155564)
 kphelps@dgd.com
 3 MICHAEL G. D'ALBA (State Bar No. 264403)
 mdalba@dgd.com
 4 DANNING, GILL, DIAMOND & KOLLITZ, LLP
 1900 Avenue of the Stars, 11th Floor
 5 Los Angeles, California 90067-4402
 Telephone: (310) 277-0077
 6 Facsimile: (310) 277-5735

7 Attorneys for David A. Gill, Receiver

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

11
 12 SECURITIES AND EXCHANGE
 COMMISSION,

13 Plaintiff,

14 vs.

15 DIVERSIFIED LENDING GROUP,
 16 INC.; APPLIED EQUITIES, INC.; AND
 BRUCE FRIEDMAN,

17 Defendants,
 18
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Case No. CV 09-01533-R (SSx)

**ORDER APPROVING
 SETTLEMENT BETWEEN
 RECEIVER AND KELLEY G.
 MEHLMAN**

[No hearing requested]

21 The Court having considered the Ex Parte Application to Approve Settlement
 22 Agreement between Receiver and Kelley G. Mehlman; Memorandum of Points and
 23 Authorities; Declarations of David A. Gill and Michael G. D'Alba ("Application")
 24 filed by David A. Gill, the Receiver ("Receiver") in the above-captioned case, and no
 25 opposition having been filed, and good cause appearing:

26 **IT IS HEREBY ORDERED THAT:**

- 27
 28 1. The Receiver's Application is APPROVED.

1 2. The terms and provisions of the *Settlement Agreement* ("Agreement"), a
2 copy of which is attached as Exhibit "2" to the Declaration of David A. Gill in
3 support of the Application are hereby approved.

4 3. The Receiver is authorized to settle the Dispute, as that term is defined
5 in the Application and Agreement, with Kelley G. Mehlman ("Mehlman").

6 4. The Receiver is authorized to execute all documents and otherwise take
7 all actions the Receiver deems necessary and appropriate to effectuate the settlement.

8 5. Should Mehlman fail to withdraw proofs of claim nos. 1145 and 1146
9 within five business days of the entry of this order, claims nos. 1145 and 1146 shall
10 be deemed to have been withdrawn.

11 6. The United States District Court for the Central District of California
12 shall retain jurisdiction to enforce the Agreement.

13 7. The form and manner of notice of the Application provided by the
14 Receiver is appropriate.

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16 Dated: January 23, 2012

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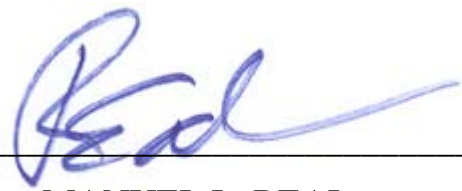
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MANUEL L. REAL
United States District Judge

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PROOF OF SERVICE

I, Cheryl Caldwell, declare:

I am employed by the law firm of Danning, Gill, Diamond & Kollitz, LLP, in the County of Los Angeles, State of California. I am employed in the office of a member of the bar of this court at whose direction the service was made. I am over the age of 18 years and am not a party to the within action. My business address is 1900 Avenue of the Stars, 11th Floor, Los Angeles, California 90067.

On January 23, 2012, I served the following document(s): **[PROPOSED ORDER] APPROVING SETTLEMENT BETWEEN RECEIVER AND KELLEY G. MEHLMAN** on the interested parties addressed as follows:

SEE ATTACHED SERVICE LIST

(By Mail) I placed the document for collection and deposit in the mail. I am familiar with this firm's practice for the collection and processing of correspondence for mailing. Under that practice, the document would be placed in a sealed envelope and deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at 1900 Avenue of the Stars, 11th Floor, Los Angeles, California 90067-4402, in the ordinary course of business. The documents served were placed in sealed envelopes and placed for collection and mailing following ordinary business practices.

(Electronic Mail) By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

I declare under penalty of perjury under the laws of the State of California and of the United States of America that the foregoing is true and correct.

Executed on January 23, 2012, at Los Angeles, California.

Cheryl Caldwell

(Type or print name)

/s/ Cheryl Caldwell

(Signature)

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SERVICE LIST

Attorneys for Plaintiff U.S. Securities Exchange Commission (Email Only)

John M McCoy , III, Esq.
US Securities & Exchange Commission Office of Enforcement
5670 Wilshire Boulevard 11th Floor
Los Angeles , CA 90036
mccoyj@sec.gov

**Counsel for Defendants Diversified Lending Group, Inc., (Email/Regular Mail)
Applied Equities, Inc., and Bruce Friedman**

Richard Elliott Drooyan, Esq.
Munger Tolles & Olson LLP
355 S. Grand Avenue, 35th Floor
Los Angeles, CA 90017
richard.drooyan@mto.com

Counsel for Paul L. Goering and Wilda M. Goering (Email/Regular Mail)

Kurt A. Goering, Esq.
714 E. Rose Lane, Ste. 200
Phoenix, AZ 85014
kagoering@gmail.com

**Counsel for Defendants Wendy Ann Mehlman, Gary Friedman And Worldwide
Financial Investments, Inc. (Email/Regular Mail)**

Nancy Knupfer, Esq.
Marc Lieberman, Esq.
Alan Forsely, Esq.
Fredman Knupfer Lieberman LLP
1875 Century Park East, Suite 2200
Los Angeles, CA 90067-2523
nk@fkllawfirm.com
ml@fkllawfirm.com
awf@fkllawfirm.com

**Counsel for Daryn I. Friedman and Karry S. Friedman aka KARRY S. LIKER
(Email/Regular Mail)**

Alexander S. Kasendorf, Esq.
Adam Grant, Esq.
Alpert Barr & Grant
6345 Balboa Blvd Ste I-300
Encino, CA 91316
akasendorf@alpertbarr.com
agrants@alpertbarr.com