

1 JOHN M. McCOY III, Cal. Bar No. 166244

Email: mccoymj@sec.gov

2 GREGORY C. GLYNN, Cal. Bar No. 39999

Email: glynnng@sec.gov

NO JS-6

3 FINOLA H. MANVELIAN, Cal. Bar No. 180681

Email: manvelianf@sec.gov

4 MARSHALL S. SPRUNG, Cal. Bar No. 188253

Email: sprungm@sec.gov

5 CATHERINE W. BRILLIANT, Cal. Bar No. 229992

Email: brilliantc@sec.gov

6 Attorneys for Plaintiff

7 Securities and Exchange Commission

Rosalind R. Tyson, Regional Director

8 Andrew G. Petillon, Associate Regional Director

5670 Wilshire Boulevard, 11th Floor

9 Los Angeles, California 90036

Telephone: (323) 965-3998

10 Facsimile: (323) 965-3908

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**

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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.

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20 Dated: August 25, 2009



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22 HONORABLE MANUEL L. REAL  
23 UNITED STATES DISTRICT JUDGE  
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**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

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

5                    **SERVICE LIST**

6                    **Richard E. Drooyan, Esq. (also served by electronic mail)**  
7                    **Munger Tolles & Olson LLP**  
8                    **355 S. Grand Avenue, 35<sup>th</sup> Floor**  
9                    **Los Angeles, CA 90071-1560**  
10                   **Email: richard.drooyan@mto.com**

11                   **Tina Placourakis (also served by electronic mail)**  
12                   **8913 E. Calle de las Brisas**  
13                   **Scottsdale, AZ 85255**  
14                   **Email: tina@sunwestbottlers.com**

15                   **David A. Gill, Esq. (also served by electronic mail)**  
16                   **Danning, Gill, Diamond & Kollitz, LLP**  
17                   **2029 Century Park East, 3rd Floor**  
18                   **Los Angeles, CA 90067-2904**  
19                   **Email: dag@dgdk.com**  
20                   ***Court-Appointed Permanent Receiver for Diversified Lending***  
21                   ***Group, Inc. and Applied Equities, Inc.***

22                   **George E. Schulman, Esq. (also served by electronic mail)**  
23                   **Danning, Gill, Diamond & Kollitz, LLP**  
24                   **2029 Century Park East, 3rd Floor**  
25                   **Los Angeles, CA 90067-2904**  
26                   **Email: gschulman@dgdk.com**  
27                   ***Attorney for Court-Appointed Permanent Receiver David A. Gill***