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

11 SECURITIES AND EXCHANGE
 12 COMMISSION,
 13 Plaintiff,
 14 vs.
 15 NATIONAL FINANCIAL SYSTEMS, INC.
 and TERESE HERWICK,
 16 Defendants.

Case No. CV 03-6908 SVW (JTLx)

**REVISED FINAL JUDGMENT OF
 PERMANENT INJUNCTION AND
 OTHER RELIEF AGAINST DEFENDANT
 NATIONAL FINANCIAL SYSTEMS, INC.**

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1 Plaintiff Securities and Exchange Commission (“Commission”) having filed
2 a Complaint and Defendant National Financial Systems, Inc. (“Defendant”) having
3 entered a general appearance; consented to the Court’s jurisdiction over Defendant
4 and the subject matter of this action; consented to entry of this Revised Final
5 Judgment without admitting or denying the allegations of the Complaint (except as
6 to jurisdiction); waived findings of fact and conclusions of law; and waived any
7 right to appeal from this Revised Final 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 Revised Final
12 Judgment by personal service or otherwise are permanently restrained and enjoined
13 from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act
14 of 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 FURTHER ORDERED, ADJUDGED, AND DECREED that
27 Defendant and Defendant’s agents, servants, employees, attorneys, and all persons
28 in active concert or participation with them who receive actual notice of this

1 Revised Final Judgment by personal service or otherwise are permanently
2 restrained and enjoined from violating Section 17(a) of the Securities Act of 1933
3 (the “Securities Act”), 15 U.S.C. § 77q(a), in the offer or sale of any security by
4 the use of any means or instruments of transportation or communication in
5 interstate 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 FURTHER ORDERED, ADJUDGED, AND DECREED that
15 Defendant and Defendant’s agents, servants, employees, attorneys, and all persons
16 in active concert or participation with them who receive actual notice of this
17 Revised Final Judgment by personal service or otherwise are permanently
18 restrained and enjoined from violating Sections 206(1) and 206(2) of the
19 Investment Advisers Act of 1940 (the “Advisers Act”), 15 U.S.C. §§ 80b-6(1) &
20 80b-6(2), by use of the mails or means or instrumentalities of interstate commerce,
21 directly or indirectly:

- 22 (a) with scienter, to employ any device, scheme, or artifice to defraud any
23 client or prospective client; or
- 24 (b) to engage in any transaction, practice, or course of business which
25 operates or would operate as a fraud or deceit upon any client or
26 prospective client.

27 **IV.**

28 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that

1 Defendant shall pay disgorgement in the amount of \$6,666,644, payable to the
2 receiver, the payment of which shall be deemed satisfied by receiver Robert P.
3 Mosier's filing of a final report affirming that said amount has been distributed to
4 Defendant's investors and/or applied to the operations, costs and fees of the
5 receivership estate.

6 **V.**

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 the Defendant shall comply with all of the undertakings and
10 agreements set forth therein.

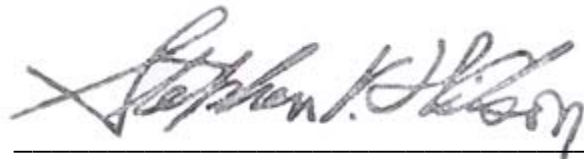
11 **VI.**

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 Revised Final Judgment.

15 **VII.**

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 Revised Final Judgment
18 forthwith and without further notice.

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20 Dated: August 26, 2009



21 HONORABLE STEPHEN V. WILSON
22 UNITED STATES DISTRICT JUDGE
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