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8 UNITED STATES DISTRICT COURT
 9 NORTHERN DISTRICT OF CALIFORNIA
 10 SAN FRANCISCO DIVISION

11
 12 SECURITIES AND EXCHANGE COMMISSION,

13 Plaintiff,

14 v.

15 TERENCE M. COXON and WORLD
 MONEY MANAGERS,

16 Defendants.

Miscellaneous Action No.
 CV 04-0145-MISC. MHP

PLAINTIFF'S AND DEFENDANTS'
 STIPULATION AND PROPOSED ORDER
 REGARDING DISBURSEMENT OF FUNDS
 AND APPOINTMENT OF TAX
 ADMINISTRATOR

Date: N/A
 Time: N/A
 Judge: General Duty Judge
 Courtroom: TBD

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 20
 21 **STIPULATION FOR ORDER**

22 Plaintiff Securities and Exchange Commission ("Commission") and defendants
 23 Terrence M. Coxon ("Coxon") and World Money Managers ("World Money"), by and
 24 through their attorneys, hereby enter into the following Stipulation Regarding the
 25 Disbursement of Funds and the Appointment of a Tax Administrator (the "Stipulation").

26 On August 25, 2003, the Commission ordered Coxon and World Money to disgorge
 27 the principal amount of \$971,777.54, plus \$564,964.43 in prejudgment interest, for a total
 28 disgorgement of \$1,536,741.97 (the "Disgorgement Order"). On November 15, 2004, this

1 Court ordered Coxon and World Money to satisfy the Disgorgement Order within thirty days
2 (the "Payment Order").

3 Following Coxon's and World Money's failure to comply with the Payment Order, the
4 Court entered Findings of Facts and Conclusions of Law on May 31, 2005 directing Coxon to
5 pay \$200,000 into the court registry within twenty one days and to pay 78.125% of the equity
6 value of his Santa Rosa house into the court registry within one hundred eighty days. Docket
7 No. 37, ¶¶ 31(a), (b). On July 14, 2005, following the sale by Coxon and his wife, Elizabeth,
8 of their Santa Rosa home, an escrow company deposited \$387,213.74 into the court's registry
9 as being the Coxons' proceeds from the sale. On April 3, 2006, Coxon deposited an
10 additional \$200,000 into the court's registry.

11 Subsequently, on April 26, 2006, the Court approved the parties' stipulation that
12 \$72,013 should be transferred from the court's registry to Elizabeth Coxon, as her separate
13 property share of the proceeds from the Santa Rosa house sale. Docket No. 65. Later, on
14 December 15, 2006, the Court entered a written order approving the distribution of \$515,123
15 from the court's registry to the Permanent Portfolio Fund in partial satisfaction of the
16 Disgorgement Order. Docket No. 72. In light of other payments to the Fund, the undersigned
17 agree that Coxon and World Money have satisfied the Disgorgement Order, and are no longer
18 in breach of the Payment Order.

19 At the current time, the court's registry for this case is holding nearly \$32,000.00,
20 which represents the accrued interest on the amounts that were previously deposited by Coxon
21 and his wife. Because Coxon and World Money have satisfied their disgorgement
22 obligations, the Commission does not claim any interest in the amount remaining in the
23 court's registry. The parties to this Stipulation agree that \$1,990.00 of the amount remaining
24 in the court's registry should be disbursed to Coxon's wife, Elizabeth, as her share of the
25 accrued interest in the court's registry. The parties to this Stipulation also agree that after the
26 payment to Coxon's wife, the remaining balance in the court's registry should go to the Fund
27 to reduce an obligation by Coxon and World Money to reimburse the Fund for its advances of
28 defendants' attorney's fees and costs.

1 The remaining funds in the court's registry are subject, however, to federal income tax
2 reporting and liability because those funds constitute a qualified investor fund under federal
3 tax regulations. Such a qualified investor fund requires the preparation and filing of tax forms
4 with the Internal Revenue Service pursuant to Section 468B(g) of the Internal Revenue Code.
5 The Commission has retained the accounting firm of Damasco & Associates, LLP to serve as
6 the tax administrator in any case where investor recovery funds have been obtained by the
7 Commission and placed into a segregated account. Damasco & Associates, LLP will charge
8 up to \$1800.00 per tax year to file the necessary forms and make the necessary payments
9 under the Internal Revenue Code. Damasco & Associates might also bill for time involving
10 negotiations with the Internal Revenue Service to reduce or abate any interest or penalty
11 charges.

12 Based upon the foregoing, the Commission, Coxon and World Money hereby enter
13 into a Stipulation for the entry of an Order providing that:

14 1. The Clerk of the Court shall issue a check in the amount of \$1,990.00 made
15 payable to Elizabeth Coxon as her share of the accrued interest in the court's registry. The
16 check shall be mailed to John W. Cotton, Esq., at his current law firm address.

17 2. The Court authorizes Damasco & Associates to prepare and file all necessary
18 tax returns and to arrange all necessary payment of income taxes (and if necessary interest and
19 penalties) from the funds in the court's registry for this proceeding. Subject to the Court's
20 review, Damasco & Associates may submit a claim for payment from the court's registry for
21 payment of its professional fees and costs.

22 3. The Court authorizes the Clerk of the Court's payment to the Fund of the
23 remaining balance in the court's registry after (i) the payment of \$1,990.00 to Elizabeth
24 Coxon, (ii) the payment of all income taxes and penalties and (iii) the payment of Damasco &
25 Associates' tax preparation fees.

1 DATED: October __, 2015

U. S. SECURITIES AND EXCHANGE
COMMISSION

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3 _____
John S. Yun

4 Attorney for the United States Securities &
Exchange Commission

5 DATED:

6 JOHN W. COTTON
COTTON & GUNDZIK LLP

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John W. Cotton

8 Attorneys for Terence M. Coxon
9 and World Money Managers

10 **ORDER REGARDING DISBURSEMENT OF FUNDS AND TAX ADMINISTRATOR**

11 Good cause appearing, the Court accepts the parties' Stipulation Regarding the
12 Disbursement of Funds and the Appointment of Tax Administrator. It is therefore ordered:

13 1. The Clerk of the Court shall issue a check in the amount of \$1,990.00 made
14 payable to Elizabeth Coxon as her share of the accrued interest in the court's registry. The
15 check shall be mailed to John W. Cotton, Esq. at his current law firm address.

16 2. Damasco & Associates is hereby authorized to prepare and file all necessary
17 tax returns and to arrange all necessary payment of income taxes (and if necessary interest and
18 penalties) from the funds in the court's registry for this proceeding. Subject to the Court's
19 review, Damasco & Associates may submit a claim for payment from the court's registry for
20 payment of its professional fees and costs.

21 3. The Clerk of the Court shall pay to the Fund the balance remaining in the
22 court's registry after (i) the payment of \$1,990.00 to Elizabeth Coxon, (ii) the payment of all
23 income taxes and penalties and (iii) the payment of Damasco & Associates' fees.

24 SO ORDERED.

25 DATED: November __, 2015

26 _____
27 Judge, United States District Court

1 DATED: November 10, 2015 _____

U. S. SECURITIES AND EXCHANGE
COMMISSION

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3 
John S. Yun

4 Attorney for the United States Securities &
Exchange Commission

5 DATED: November 6, 2015

JOHN W. COTTON
COTTON & GUNDZIK LLP

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John W. Cotton

8 Attorneys for Terence M. Coxon
and World Money Managers

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10 **ORDER REGARDING DISBURSEMENT OF FUNDS AND TAX ADMINISTRATOR**

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12 Disbursement of Funds and the Appointment of Tax Administrator. It is therefore ordered:

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15 check shall be mailed to John W. Cotton, Esq. at his current law firm address.

16 2. Damasco & Associates is hereby authorized to prepare and file all necessary
17 tax returns and to arrange all necessary payment of income taxes (and if necessary interest and
18 penalties) from the funds in the court's registry for this proceeding. Subject to the Court's
19 review, Damasco & Associates may submit a claim for payment from the court's registry for
20 payment of its professional fees and costs.

21 3. The Clerk of the Court shall pay to the Fund the balance remaining in the
22 court's registry after (i) the payment of \$1,990.00 to Elizabeth Coxon, (ii) the payment of all
23 income taxes and penalties and (iii) the payment of Damasco & Associates' fees.

24 SO ORDERED.

25 DATED: November 30, 2015

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27 Judge, United States District Court