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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

-against-

Case No. 02-CV-5713-JFS

IBF COLLATERALIZED FINANCE
CORPORATION, et al.,

Defendants.

FINAL JUDGMENT AS TO SIMON A. HERSHON

Plaintiff Securities and Exchange Commission ("Commission"), having filed a complaint (the "Complaint") on July 23, 2002 charging, among others, defendant Simon A. Hershon ("Hershon") with violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], and Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5], and Hershon having executed the annexed Consent of Simon A. Hershon ("Consent"), and Hershon having entered a general appearance, having admitted the jurisdiction of this Court over him and over the subject matter of this action, having admitted receiving service of the Summons and Complaint in this action, having withdrawn his answer to the Complaint, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having waived any right he might have to appeal from the entry of this Final Judgment, and, without admitting or denying the allegations contained in the Complaint (except as to jurisdiction, which are admitted), having consented to the entry of this Final Judgment without further notice to the

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ORDERED, ADJUDGED, AND DECREED that Hershon is liable for disgorgement of \$400,000, representing profits generated as a result of the conduct alleged in the Complaint and the earnings thereon, and he shall pay a civil penalty in the amount of \$500,000 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77(d)(1), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78(d)(3). Hershon shall satisfy these obligations by paying \$900,000 to the Clerk of the Court within ten business days, together with a cover letter identifying Hershon as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Hershon shall simultaneously transmit photocopies of such payment and letter to Andrew M. Calamatt, Deputy Assistant Regional Director, Northeast Regional Office, United States Securities and Exchange Commission, 233 Broadway, New York, NY 10279. By making this payment, Hershon relinquishes all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Hershon. Hershon shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

II.

ORDERED, ADJUDGED, AND DECREED that a Disgorgement Fund be established pursuant to the Fair Funds provisions of Section 308(a) of the Sarbanes Oxley Act of 2002, consisting of the disgorgement and civil penalty to be paid by Hershon pursuant to paragraph I of this Final Judgment. The Clerk of the Court is directed to distribute said Disgorgement Fund to Arthur Steinberg, Esq., as trustee for IBF Collateralized Finance Corporation and IBF VI Secured Lending Corporation, at the offices of Kaye Scholer LLP, 425 Park Avenue, New York, N.Y. 10022-3598, to be administered pursuant to the *Joint Plan of Reorganization With Respect*

To Interbank Funding Corporation, IBF VI – Secured Lending Corporation, IBF Collateralized Finance Corporation and IBF Premier Hotel Group, Inc., which was approved by the United States Bankruptcy Court for the Southern District of New York on August 14, 2003 (Case Nos. 02-41590 (BRL), 02-41591 (BRL), 02-41592 (BRL) and 02-15477 (BRL)) and separately by this Court on September 6, 2003. Notwithstanding that a distribution of the Disgorgement Fund is to be made for the benefit of investors, the \$500,000 ordered to be paid as a civil penalty pursuant to this Final Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Hershon shall not, in any Related Investor Action, benefit from any offset or reduction of any investor's claim by the amount of any distribution to such investor in this action that is proportionately attributable to the civil penalty paid by Hershon ("Penalty Offset"). If the court in any Related Investor Action grants such an offset or reduction, Hershon shall, within 30 days after entry of a final order granting the offset or reduction, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Hershon by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

III.

ORDERED, ADJUDGED AND DECREED that plaintiff may effect service of this Final Judgment and all other papers in this action upon Hershon by sending a copy via first class mail to his counsel Richard S. Kraut, Dilworth Paxson LLP, Suite 400, 1818 N Street, N.W.,

Washington, D.C. 20036, unless Hershon notifies the Commission otherwise by letter addressed to U.S. Securities & Exchange Commission, 233 Broadway, 11th Floor, New York, NY 10279, attn: Andrew M. Calamari, Esq.

IV.

ORDERED, ADJUDGED AND DECREED that the attached Consent is incorporated herein with the same force and effect as if fully set forth herein, and Hershon shall fully comply with all of the terms set forth therein.

V.

ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for purposes of implementing and enforcing the terms and conditions of this Final Judgment and the attached Consent.

VI.

ORDERED, ADJUDGED AND DECREED that, there being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment forthwith pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

SO ORDERED, this 9 day of June, 2005.


UNITED STATES DISTRICT JUDGE

THIS DOCUMENT WAS ENTERED
ON THE DOCKET ON 6/17/05