

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

SECURITIES  
COMMISSION  
ELECTRONICALLY FILED  
DATE FILED: 4/21/06

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

JAMES J. FARLEY and  
SHELLEY J. FARLEY,

Defendants.

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: CIVIL ACTION NO.  
: 05-CV-8016  
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FINAL JUDGMENT AS TO DEFENDANT  
SHELLEY J. FARLEY

The Securities and Exchange Commission having filed a Complaint and Defendant Shelley J. Farley ("Farley") having entered a general appearance; consented to the Court's jurisdiction over her and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Farley and her agents, servants, employees, attorneys, and all persons in active concert or participation with her who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated

thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Farley and her agents, servants, employees, attorneys, and all persons in active concert or participation with her who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or

- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Farley is liable for disgorgement of \$29,762.50, representing losses Farley or her tippee avoided as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$5,159.09, for a total of \$34,921.59. Farley shall satisfy this obligation by paying \$34,921.59 within ten business days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Shelley J. Farley 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. A copy of said cover letter and check or money order for each payment under this provision shall be sent to Stephen E. Donahue, Assistant District Administrator, Securities and Exchange Commission, 3475 Lenox Road, Suite 500, Atlanta, Georgia 30326-1232. Farley shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Farley shall pay a civil penalty in the amount of \$29,762.50 pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]. Farley shall make this payment within ten (10) business days after entry of this

Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Farley 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. A copy of said cover letter and check or money order for each payment under this provision shall be sent to Stephen E. Donahue, Assistant District Administrator, Securities and Exchange Commission, 3475 Lenox Road, Suite 500, Atlanta, Georgia 30326-1232. Farley shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Farley shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: April 20, 2006

  
UNITED STATES DISTRICT JUDGE