

JS-6

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

DAVID A. WILLIAMS; SHERWOOD
SECURED INCOME FUND, LLC;
WFG HOLDINGS, INC.; and
WILLIAMS FINANCIAL GROUP,
LLC,

Defendants.

Case No. 2:09-cv-02709-JHN-JCx

**FINAL JUDGMENT AS TO
DEFENDANTS DAVID A.
WILLIAMS; SHERWOOD
SECURED INCOME FUND, LLC;
WFG HOLDINGS, INC.; AND
WILLIAMS FINANCIAL GROUP,
LLC**

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1 This matter having come before the Court on the Securities and Exchange
2 Commission's ("Commission") Motion for Disgorgement, Prejudgment Interest,
3 and Civil Penalties Against Defendants David A. Williams ("Williams");
4 Sherwood Secured Income Fund, LLC ("SSIF"); WFG Holdings, Inc. ("WFGHI");
5 and Williams Financial Group, LLC ("WFG LLC") (collectively "Defendants").
6 Defendants each previously entered a general appearance; consented to the Court's
7 jurisdiction over each of them and the subject matter of this action; and consented
8 to the entry of an Order of Permanent Injunction and Other Relief as to each of
9 them, which orders were entered as to each of the Defendants. Having considered
10 the Commission's Motion and noting that no opposition to the Motion was filed,
11 the Court finds it appropriate to enter Final Judgment against the Defendants.

12 **I.**

13 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants
14 Williams, SSIF, WFGHI, and WFG LLC, and each of the Defendants' agents,
15 servants, employees, and all persons in active concert or participation with them who
16 receive actual notice of this Order by personal service or otherwise are permanently
17 restrained and enjoined from violating, directly or indirectly, Section 17(a) of the
18 Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), by using any means or
19 instrumentality of interstate commerce, or of the mails, or of any facility of any
20 national securities exchange, in connection with the offer or sale of any security:

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

II.

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2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
3 Defendant Williams, SSIF, WFGHI, and WFG LLC, and each of the Defendants'
4 agents, servants, employees, and all persons in active concert or participation with
5 them who receive actual notice of this Judgment by personal service or otherwise
6 are permanently restrained and enjoined from violating, directly or indirectly,
7 Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C.
8 § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using
9 any means or instrumentality of interstate commerce, or of the mails, or of any
10 facility of any national securities exchange, in connection with the purchase or sale
11 of any security:

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

III.

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20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
21 Defendants Williams, SSIF, WFGHI, and WFG LLC are jointly and severally
22 liable for disgorgement of \$3,397,816, representing profits gained as a result of the
23 conduct alleged in the Complaint, together with prejudgment interest thereon in the
24 amount of \$22,343.18, for a total of \$3,420,159.18. Defendants shall satisfy this
25 obligation by paying \$3,420,159.18 within 14 days after entry of this Final
26 Judgment by certified check, bank cashier's check, or United States postal money
27 order payable to the Securities and Exchange Commission. The payment shall be
28 delivered or mailed to the Office of Financial Management, Securities and

1 Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-
2 3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying the
3 Defendant making the payment and identifying him/it as a Defendant in this
4 action; setting forth the title and civil action number of this action and the name of
5 this Court; and specifying that payment is made pursuant to this Final Judgment.
6 Defendants shall pay post-judgment interest on any delinquent amounts pursuant to
7 28 USC § 1961. The Commission shall remit the funds paid pursuant to this
8 paragraph to the United States Treasury. The Commission may enforce the
9 Court's judgment for disgorgement and prejudgment interest by moving for civil
10 contempt (and/or through other collection procedures authorized by law) at any
11 time after 14 days following entry of this Final Judgment. In response to any such
12 civil contempt motion by the Commission, Defendants may assert any legally
13 permissible defense.

14 **IV.**

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
16 Defendants Williams, SSIF, WFGHI, and WFG LLC are jointly and severally
17 liable for civil penalties in the amount of \$3,420,159.18, pursuant to Section 20(d)
18 of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange
19 Act, 15 U.S.C. § 78u(d)(3). Defendants shall make this payment within 14 days
20 after entry of this Final Judgment by certified check, bank cashier's check, or
21 United States postal money order payable to the Securities and Exchange
22 Commission. The payment shall be delivered or mailed to the Office of Financial
23 Management, Securities and Exchange Commission, Operations Center, 6432
24 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
25 accompanied by a letter identifying the respective Defendant making the payment
26 and identifying him/it as a Defendant in this action; setting forth the title and civil
27 action number of this action and the name of this Court; and specifying that
28 payment is made pursuant to this Final Judgment. Defendants shall pay post-

1 judgment interest on any delinquent amounts pursuant to 28 USC § 1961. The
2 Commission shall remit the funds paid pursuant to this paragraph to the United
3 States Treasury.

4 **V.**

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

8 **VI.**

9 There being no just reason for delay, the Clerk is ordered to enter this Order
10 forthwith and without further notice.

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12 Dated this 29th day of July, 2010.

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16 HONORABLE JACQUELINE H. NGUYEN
17 UNITED STATES DISTRICT JUDGE
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