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U.S. DISTRICT COURT

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DISTRICT OF UTAH

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**UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION**

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

Case No. 2:10-cv-00574

ANTHONY C. ZUFELT, JOSEPH A. NELSON, :  
DAVID M. DECKER, JR., CACHE D. DECKER, :  
ZUFELT BUSINESS SERVICES, INC. :  
(d/b/a ZUFELT, INC.), SILVER LEAF :  
INVESTMENTS, INC., JCN, INC., JCN :  
CAPITAL, LLC, and JCN INTERNATIONAL, :  
LLC, :

Judge Dee Benson

Defendants, :

and :

JENNIFER M. ZUFELT, SHAE L. MORGAN, :  
GARTH W. JARMAN, JR., ERIC R. NELSON, :  
and KEVIN J. WILCOX, :

Relief Defendants. :

**FINAL JUDGMENT AS TO DEFENDANTS ANTHONY C.  
ZUFELT, ZUFELT BUSINESS SERVICES, Inc. (d/b/a ZUFLT INC.) AND  
SILVER LEAF INVESTMENTS, INC.**

THIS CAUSE comes before the Court on consideration of Plaintiff Securities and Exchange Commission's motion pursuant to Rules 58 and 55(b)(2) of the Federal Rules of Civil Procedure for entry of final judgment, including permanent injunctive and monetary relief, against Defendants Anthony C. Zufelt ("Zufelt"), Zufelt Business Services, Inc. d/b/a Zufelt, Inc. ("Zufelt, Inc."), and Silver Leaf Investments, Inc. ("Silver Leaf") (collectively, "Defendants").

On June 23, 2010, the Securities and Exchange Commission filed a Complaint against Defendants.

On May 6, 2014, this Court entered a default against Zufelt, Inc. and Silver Leaf on all claims, including securities fraud claims pursuant to Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5]. (Doc. 137.)

On January 4, 2016, this Court granted partial summary judgment against the Defendants, finding that Defendants violated Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and (c)] by selling unregistered securities in Zufelt, Inc. and Silver Leaf; and that Zufelt violated Section 15(a)(1) of the Exchange Act [15 U.S.C. § 77o(a)(1)] by acting as an unregistered broker-dealer in connection with the offer and sale of securities. (Doc. 214.)

On February 22, 2016, this Court entered a default against Anthony Zufelt on the SEC's remaining claims, including securities fraud and aiding and abetting claims based on his solicitation of investors in Zufelt, Inc. and Silver Leaf, "as a sanction for his repeated refusal to meaningfully participate in litigation." (Doc. 222.)

After a careful review of the record and the Court being otherwise fully advised:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Final Judgment be and the same is hereby ENTERED in favor of Plaintiff Securities and Exchange Commission and against Defendants Zufelt, Zufelt, Inc., and Silver Leaf.

II.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of 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.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the

Securities Act [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.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or

instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants and Defendants' agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from participating directly or indirectly in the issuance, offer, or sale of any securities, including but not limited to securities involving promissory notes, income streams, and merchant services businesses or portfolios; provided, however, that such injunction shall not prevent Defendant Zufelt from purchasing or selling securities listed on a national securities exchange for his own personal account.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Zufelt is permanently restrained and enjoined from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by, without being registered with the Commission as a broker or dealer or an associated person of a broker-dealer, acting as a broker or dealer and making use of the mails

or any other means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] and Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)], Defendant Zufelt is permanently restrained and enjoined from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Zufelt is jointly and severally liable with Zufelt, Inc. for and shall pay disgorgement of ill-gotten gains of \$1,887,282, plus prejudgment interest thereon of \$720,516, and is jointly and severally liable with Silver Leaf for and shall pay disgorgement of ill-gotten gains of \$538,400, plus prejudgment interest thereon of \$250,956, for a total disgorgement of \$2,425,682 and prejudgment interest thereon of \$971,472; Defendant Zufelt, Inc. is jointly and severally liable with Defendant Zufelt for and shall pay disgorgement of ill-gotten gains of \$1,887,282, plus prejudgment interest thereon of \$720,516; and Defendant Silver Leaf is jointly and severally liable with Defendant Zufelt for and shall pay disgorgement of ill-gotten gains of \$538,400, plus prejudgment interest thereon of \$250,956.

IX.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Zufelt shall pay a third-tier civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] in the amount

of \$ 520,000.00 ; Defendant Zufelt, Inc. shall pay a third-tier civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] in the amount of \$ 1,900,000.00 ; and Defendant Silver Leaf shall pay a third-tier civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] in the amount of \$ 1,900,000.00.

X.

Defendants shall satisfy the foregoing disgorgement, prejudgment interest and civil penalty obligations by making payment to the Securities and Exchange Commission within 14 days after entry of this Final Judgment. Defendants may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendants may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center  
Accounts Receivable Branch  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; identification of the Defendant as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment. Defendants shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making payment, Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendants. The

Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury. The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

XI.

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 Judgment.

XII.

There being no just reason for delay, pursuant to Rules 54(b), 55(b)(2), and 58 of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated: Oct. 5, 2014

A handwritten signature in black ink, appearing to read "Dale B. ...", is written over a horizontal line. Below the line, the text "UNITED STATES DISTRICT JUDGE" is printed in a serif font.  
UNITED STATES DISTRICT JUDGE