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**UNITED STATES DISTRICT COURT**  
**District of Minnesota**

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United States Securities and Exchange  
Commission

**JUDGMENT IN A CIVIL CASE**

V.

Case Number: 10-cv-04235-PAM-SER

Bruce F. Prévost, David W. Harrold,  
Palm Beach Capital Management LP, and  
Palm Beach Capital Management LLC

**Jury Verdict.** This action came before the Court for a trial by jury. The issues have been tried and the jury has rendered its verdict.

**Decision by Court.** This action came to trial or hearing before the Court. The issues have been tried or heard and a decision has been rendered.

IT IS ORDERED AND ADJUDGED THAT:

the motion is **GRANTED**. The prayers for disgorgement, prejudgment interest and civil penalties are **DISMISSED** from the Complaint, and final judgment is entered against all Defendants as follows:

1. Defendants and all agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with any of them who receive actual notice of this Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, employing any device, scheme or artifice to defraud, in violation of Section 17(a)(1) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §77q(a)(1)].
2. Defendants and all agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with each of them who receive actual notice of this Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, obtaining

money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser, in violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§77q(a)(2) and 77q(a)(3)].

3. Defendants and all agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with any of them who receive actual notice of this Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or any facility of any national securities exchange:

(a) employing any device, scheme or artifice to defraud; or

(b) making any untrue statement of material fact or omitting 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) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person, in violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F. R. §240.10b-5].

4. Defendants and all agents, servants, employees, attorneys, assigns, and persons in active concert or participation with any of them who receive actual notice of this Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined, while acting as an investment adviser, by use of the mails, and the means and instrumentalities of interstate commerce, directly or indirectly, from knowingly, willfully, or recklessly:

(a) employing devices, schemes or artifices to defraud clients or prospective clients;

(b) engaging in any transaction, practice or course of business which operates as a fraud or deceit

upon any client or prospective client; or

- (c) engaging in any act, practice or course of business which is fraudulent, deceptive, or manipulative including, but not limited to, making untrue statements of a material fact and/or omitting to state a material fact necessary to make statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in a pooled investment vehicle; in violation of Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b(6)-4 and Rule 206-4(8)] [17 C.F.R. § 275.206.4(8)] thereunder.

5. Defendants Prévost and Harrold and all agents, servants, employees, attorneys, assigns, and persons in active concert or participation with any of them who receive actual notice of this Judgment by personal service or otherwise, and each of them are permanently restrained and enjoined, from aiding and abetting violations of Sections 206(1), 206(2), and 206(4) of the Investment Advisers Act of 1940 [15 U.S.C. §§ 80b-6(1), 80b-6(2), and 80b(6)-4 and Rule 206-4(8)] [17 C.F.R. § 275.206.4(8)] thereunder, by knowingly, willingly, or recklessly providing substantial assistance to any person who, while acting as an investment adviser, by the use of the mails, and the means and instrumentalities of interstate commerce, knowingly, willfully, or recklessly:

- (a) employs devices, schemes or artifices to defraud clients or prospective clients;
- (b) engages in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client; or
- (c) engages in any act, practice or course of business which is fraudulent, deceptive, or manipulative including, but not limited to, making untrue statements of a material fact and/or omitting to state a material fact necessary to make statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in a pooled investment vehicle.

6. Consents of the Defendants are incorporated herein with the same force and effect as if fully set

forth herein, and that Defendants shall each comply with all of the undertakings and agreements set forth therein.

7. Notice of this Order may be accomplished by delivery of a copy of the Order by first class mail, overnight delivery, facsimile, electronic mail, or personally by agents or employees of the SEC, to the Defendants, and to any bank, savings and loan institution, credit union, financial institution, transfer agent, broker-dealer, investment company, title company, commodity trading company, storage company, or any other person, partnership, corporation, or legal entity that may be subject to any provision of this Order.
8. The Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, enforcement of the Judgment.

January 26, 2015

Date

RICHARD D. SLETTEN, CLERK

s/L. Brennan

(By)

L. Brennan, Deputy Clerk