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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

LAURENCE M. BROWN a/k/a LAWRENCE M.
BROWN AND RONALD J. MANGINI :

Defendants, :

- and - :

INFINITY FARMS, LTD., SLOAN A. BROWN,
SUSAN W. BROWN, MAYLIL, INC., AND JUNE A.
MANGINI, :

Relief Defendants. :
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10 Civ. 5564 (MGC)
ECF CASE

~~10 Civ. 5564~~ **FINAL JUDGMENT**

Plaintiff Securities and Exchange Commission (“Commission”) having filed a Complaint; defendants Lawrence M. Brown (“Brown”) and Ronald J. Mangini (“Mangini”) and relief defendants Sloan A. Brown, Susan W. Brown, and June A. Mangini, each having entered an appearance; relief defendants Infinity Farms, Ltd. and Maylil, Inc., having failed to appear; the Commission having filed a motion for summary judgment in this action against each of the defendants and relief defendants; Mangini and Sloan Brown having filed papers in opposition to the Commission’s motion for summary judgment; the Court having considered the parties’ submissions on the Commission’s motion and having found that no genuine dispute of fact exists regarding the liability of each of the defendants and the relief defendants, it is hereby ORDERED, ADJUDGED, AND DECREED:

1. The Commission's motion for summary judgment is GRANTED as to each of the defendants and relief defendants.

2. Defendants Brown and Mangini and their agents, servants, employees, attorneys, and all persons in active concert or participation with either of 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 Securities Exchange Act of 1934 ("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.

3. Defendants Brown and Mangini and their agents, servants, employees, attorneys, and all persons in active concert or participation with either of 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 of 1933 ("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.

4. Each of the defendants and relief defendants is liable for disgorgement, representing ill-gotten gains received as a result of the conduct alleged in the Complaint, and as supported by the evidence proffered by the Commission in support of its motion, as follows:

- (a) Brown is liable for disgorgement in the amount of \$2,158,000; \$2,096,394 of Brown's disgorgement liability shall be deemed satisfied by the \$2,096,394 restitution Brown is liable for in *United States v. Brown*, 10 CR 00991 (MGC); and, accordingly, Brown is liable under this Final Judgment for \$61,606, plus prejudgment interest thereon in the amount of \$3,644, for a total of \$65,250;
- (b) Mangini is liable for disgorgement in the amount of \$484,000, plus prejudgment interest in the amount of \$28,625, for a total of \$512,625;
- (c) June Mangini is liable for disgorgement on a joint and several basis with Mangini for \$309,300 of Mangini's disgorgement liability, plus prejudgment interest thereon in the amount of \$18,293, for a total of \$327,593;
- (d) Maylil, Inc. is liable for disgorgement on a joint and several basis with both Mangini and June Mangini for \$301,800 of their respective

disgorgement liabilities, plus prejudgment interest thereon in the amount of \$17,849, for a total of \$319,649;

(e) Susan Brown is liable for disgorgement in the amount of \$135,265, plus prejudgment interest thereon in the amount of \$8,000, for a total of \$143,265;

(f) Sloan Brown is liable for disgorgement in the amount of \$533,008, plus prejudgment interest thereon in the amount of \$31,523, for a total of \$564,531; and

(g) Infinity Farms, Ltd. is liable for disgorgement in the amount of \$223,400, plus prejudgment interest thereon in the amount of \$13,212, for a total of \$236,612; and

(h) \$138,339 of Infinity Farms, Ltd.'s disgorgement liability shall be on a joint and several basis with Sloan Brown's disgorgement liability.

5. 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 fourteen days following entry of this Final Judgment. In response to any such civil contempt motion by the Commission, the defendant may assert any legally permissible defense.

6. All disgorgement payments required by this Final Judgment shall be made 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, 100 F Street NE, Mail Stop 6042, Washington, DC 20549, and shall be accompanied by a letter identifying the defendant or relief

defendant making the payment, 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.

The defendant or relief defendant making the payment shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action, Jack Kaufman, Senior Trial Counsel, and to Andrew M. Calamari, Associate Regional Director, Securities and Exchange Commission, 3 World Financial Center, Room 400, New York, New York 10281-1022. Each defendant and relief defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

7. Defendant Mangini shall pay a civil penalty in the amount of \$484,000 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)]. Mangini shall make this payment within 14 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, 100 F Street NE, Mail Stop 6042, Washington, DC 20549, and shall be accompanied by a letter identifying Ronald J. Mangini 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. Mangini shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action, Jack Kaufman, Senior Trial Counsel, and to Andrew M. Calamari, Associate Regional Director, Securities and Exchange Commission, 3 World Financial Center, Room 400, New York, New York 10281-1022. Mangini shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

8. A civil penalty will not be assessed against Brown in light of the incarceration and forfeiture to which Brown is subject in *United States v. Brown*, 10 CR 00991 (MGC).

9. This Court shall retain jurisdiction of this matter for the purpose of enforcing the terms of this Judgment.

Dated: March 21, 2012

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HON. MIRIAM G. CEDARBAUM
UNITED STATES DISTRICT JUDGE

Close Case