

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
Case No. 1:11-cv-20561-KING-MCALILEY

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JONATHAN R. CURSHEN,  
MICHAEL S. KROME,  
DAVID C. RICCI,  
RONNY MORALES SALAZAR,  
ROBERT L. WEIDENBAUM,  
ARIAV "ERIC" WEINBAUM, and  
YITZCHAK ZIGDON a/k/a IZHACK ZIGDON,

Defendants.

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**~~PROPOSED~~ FINAL JUDGMENT AGAINST  
DEFENDANT ARIAV WEINBAUM**

THIS CAUSE comes before the Court on consideration of plaintiff Securities and Exchange Commission's motion pursuant to Rules 16 and 37 of the Federal Rules of Civil Procedure and Local Rule 16.1 for default judgment against defendant Ariav Weinbaum. The Court found Weinbaum in default at the final pre-trial conference held on October 5, 2012. After a careful review of the record and the Court being otherwise fully advised, it is

**I.**

ORDERED, ADJUDGED AND DECREED that Final Judgment be, and the same is hereby, ENTERED in favor of Plaintiff Securities and Exchange Commission and against defendant Ariav Weinbaum.

II.

ORDERED, ADJUDGED, AND DECREED that Weinbaum and his agents, servants, employees, attorneys, and all persons in active concert or participation with them 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 instruments 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 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

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (A) the issuance of any free trading securities;
- (B) the price or trading market for any security;
- (C) the use of investor funds;
- (D) the misappropriation of investor funds or investment proceeds, or

- (E) any matter relating to a decision by an investor or prospective investor to buy or sell securities of any company.

**III.**

ORDERED, ADJUDGED AND DECREED that Weinbaum and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)], by using any means or instruments of interstate commerce, or of the mails, or of any facility of any national securities exchange, in the offer or sale of any security:

- (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 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
- (c) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person, or (ii) disseminating false or misleading documents, materials, or information or making, either orally or in writing, any false or misleading statement in any communication with any investor or prospective investor, about:

- (A) the issuance of any free trading securities;
- (B) the price or trading market for any security;
- (C) the use of investor funds;

- (D) the misappropriation of investor funds or investment proceeds, or
- (E) any matter relating to a decision by an investor or prospective investor to buy or sell securities of any company.

**IV.**

ORDERED, ADJUDGED AND DECREED that Weinbaum and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, and in the absence of any applicable exemption, acting as a necessary participant or substantial factor in the interstate offer or sale of any unregistered security.

**V.**

ORDERED, ADJUDGED AND DECREED that Weinbaum is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

**VI.**

ORDERED, ADJUDGED AND DECREED that Weinbaum shall be jointly and severally liable for disgorgement of \$7,070,391, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$1,981,252, for a total of \$9,051,643. Weinbaum shall satisfy this obligation by paying \$9,051,643 within fourteen days after entry of this Final Judgment to the Clerk of this Court,

together with a cover letter identifying Weinbaum 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. Weinbaum shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Weinbaum relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Weinbaum. The Clerk shall deposit the funds into an interest-bearing account with the Court Registry Investment System ("CRIS") or any other type of interest-bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest-bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. Weinbaum shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

## VII.

ORDERED, ADJUDGED AND DECREED that Weinbaum shall provide a sworn accounting of all of his assets to the Court and to the Commission within fourteen days after entry of this Final Judgment.

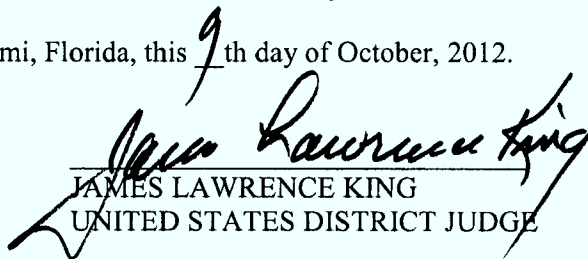
**VIII.**

ORDERED, ADJUDGED AND DECREED that Weinbaum shall pay a civil penalty in the amount of \$1,300,000 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 77t(d), 78u(d)(3)]. Weinbaum shall make this payment within fourteen 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, N.E., Stop 6042, Washington, D.C. 20549, and shall be accompanied by a letter identifying Weinbaum 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. Weinbaum shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

**IX.**

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

DONE AND ORDERED in Chambers at the James Lawrence King Federal Justice Building and United States Courthouse in Miami, Florida, this 9<sup>th</sup> day of October, 2012.

  
JAMES LAWRENCE KING  
UNITED STATES DISTRICT JUDGE