

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**-- against --**

**BRYAN ARIAS, HUGO A. ARIAS, ANTHONY C.  
CICCONE, SALVATORE CICCONE, DIANE KAYLOR,  
JASON A. KERYC, ANTHONY MASSARO,  
CHRISTOPHER E. CURRAN, RYAN K. DUNASKE,  
MICHAEL P. DUNNE, MARTIN C. HARTMANN III,  
MICHAEL D. KERYC, RONALD R. ROALDSEN, JR.,  
AND LAURA ANN TORDY,**

**Defendants.**

**FILED**  
IN CLERK'S OFFICE  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

★ **JUL-2 2013**

LONG ISLAND OFFICE

12-CV-2937 (DRH) (ETB)

ECF CASE

**~~PROPOSED~~ FINAL JUDGMENT AS TO DEFENDANT LAURA ANN TORDY**

The Securities and Exchange Commission having filed a Complaint, and Defendant Laura Ann Tordy ("Defendant") having entered a general appearance, consented to the Court's jurisdiction over her and the subject matter of this action, consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction), waived findings of fact and conclusions of law, and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's 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 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.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's 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 ("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 Defendant and Defendant's 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 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by making use of the means or instruments of transportation or communication in interstate commerce, or the mails, to effect transactions in, or to induce or attempt to induce the purchase or sale of, securities, when not registered with the Commission as a broker or dealer, or associated with a registered broker or dealer.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's 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, 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 Defendant is liable for disgorgement of \$1,048,485, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$163,761, for a total of \$1,212,246. \$968,485 of Defendant's disgorgement liability plus prejudgment interest thereon in the amount of \$144,170, for a total of \$1,112,654, shall be on a joint and several basis with Defendant Martin C. Hartmann's disgorgement liability.

Defendant shall pay a civil penalty in the amount of \$1,048,485 pursuant to under Section

20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

Defendant 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>. Defendant 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; Laura Ann Tordy as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendant.

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 30 days following entry of this Final Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall hold the funds, together with any interest and income earned thereon (collectively, the "Fund"), pending further order of the Court.

The Commission may propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. The Court shall retain jurisdiction over the administration of any distribution of the Fund. If the Commission staff determines that the Fund will not be distributed, the Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that she is entitled to, nor shall she further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant's Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.


VII.

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 Final Judgment.

VIII.

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

Dated: July 2, 2013

  
HONORABLE DENNIS R. HURLEY  
UNITED STATES DISTRICT JUDGE

**ANDREW M. CALAMARI**  
**Regional Director**

**Attorney for Plaintiff**  
**SECURITIES AND EXCHANGE COMMISSION**  
**New York Regional Office**  
**3 World Financial Center, Suite 400**  
**New York, NY 10281-1022**  
**(212) 336-1100**

**UNITED STATES DISTRICT COURT**  
**EASTERN DISTRICT OF NEW YORK**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**-- against --**

**BRYAN ARIAS, HUGO A. ARIAS, ANTHONY C. CICCONI, SALVATORE CICCONI, DIANE KAYLOR, JASON A. KERYC, ANTHONY MASSARO, CHRISTOPHER E. CURRAN, RYAN K. DUNASKE, MICHAEL P. DUNNE, MARTIN C. HARTMANN III, MICHAEL D. KERYC, RONALD R. ROALDSEN, JR., AND LAURA ANN TORDY,**

**Defendants.**

**12-CV-2937 (DRH) (ETB)**

**ECF CASE**

**CONSENT OF DEFENDANT LAURA ANN TORDY**

1. Defendant Laura Ann Tordy ("Defendant") acknowledges having waived service of a summons and the complaint filed by the Securities and Exchange Commission ("Commission") in this action, enters a general appearance, and admits the Court's jurisdiction over Defendant and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Defendant admits), Defendant hereby consents to



the entry of the Final Judgment in the form attached hereto ("Final Judgment") and incorporated by reference herein, which, among other things:

- (a) Permanently restrains and enjoins Defendant from violation of Sections 5 and 17(a) of the Securities Act of 1933, and Sections 15(a) and 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder;
- (b) Orders Defendant to pay disgorgement in the amount of \$1,048,485, plus prejudgment interest thereon in the amount of \$163,761, for a total of \$1,212,246; and
- (c) Orders Defendant to pay a civil penalty in the amount of \$1,048,485 under Section 20(d) of the Securities Act of 1933 and Section 21(d)(3) of the Securities Exchange Act of 1934.

3. Defendant acknowledges that the civil penalty paid pursuant to the Final Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, the civil penalty shall be treated as a penalty paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant agrees that she shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that she is entitled to, nor shall she further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant agrees that she shall, within 30 days after entry of a final order granting the Penalty

Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this action. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

4. Defendant agrees that she shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that she shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any penalty amounts that Defendant pays pursuant to the Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

5. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

6. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

7. Defendant enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce Defendant to enter into this Consent.

8. Defendant agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

9. Defendant will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

10. Defendant waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Defendant of its terms and conditions. Defendant further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is filed with the Clerk of the Court, with an affidavit or declaration stating that Defendant has received and read a copy of the Final Judgment.

11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Defendant in this civil proceeding. **Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability.** Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in

an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Defendant understands that she shall not be permitted to contest the factual allegations of the complaint in this action.

12. Defendant understands and agrees to comply with the terms of 17 C.F.R. § 202.5(e), which provides in part that it is the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings," and "a refusal to admit the allegations is equivalent to a denial, unless the defendant or respondent states that he neither admits nor denies the allegations." As part of Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; (ii) will not make or permit to be made any public statement to the effect that Defendant does not admit the allegations of the complaint, or that this Consent contains no admission of the allegations, without also stating that Defendant does not deny the allegations; and (iii) upon the filing of this Consent, Defendant hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Defendant breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Defendant's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

13. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or


her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that Defendant is not the prevailing party in this action since the parties have reached a good faith settlement.

14. Defendant agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.


15. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

Dated: 3/21/13   
LAURA ANN TORDY

On MARCH 21, 2013, LAURA ANN TORDY, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

  
Notary Public  
Commission expires:

Approved as to form:

  
HOWARD E. GREENBERG, ESQ.  
180 East Main Street, Suite 308  
Smithtown, NY 11787  
(631) 982-0080  
*Attorney for Defendant*

SUSAN NUNLEY  
Notary Public, State of New York  
No. 01NU6221410  
Qualified in Nassau County  
Commission Expires May 03, 2014



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

New York Regional Office  
3 World Financial Center, Suite 400  
New York, NY 10281-1022

DIVISION OF  
ENFORCEMENT

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July 1, 2013

**By ECF & UPS Overnight Delivery**

Hon. Dennis R. Hurley  
United States District Court  
Eastern District of New York  
Long Island Courthouse  
100 Federal Plaza  
Central Islip, NY 11722

Re: *SEC v. Bryan Arias, et al.*, 12-CV-2937 (DRH) (ETB)

Dear Judge Hurley:

I represent plaintiff Securities and Exchange Commission ("Commission") in the above-referenced action. The Commission respectfully submits signed Consents and proposed Judgments as to defendants Martin C. Hartmann, III ("Hartmann") and Laura Ann Tordy ("Tordy").

The Commission's complaint alleges that each of the defendants to this action, including Hartmann and Tordy, acted as sales agents for Agape World, Inc. ("Agape"), a Ponzi scheme that impacted more than 5,000 investors nationwide. The Commission's complaint alleges that each Hartmann and Tordy violated Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), and Sections 15(a) and 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5 promulgated thereunder. The Agape scheme is the basis of parallel criminal proceedings before this Court in *U.S. v. Ciccone, et al.*, 12-CR-0357 (DRH)(ETB) (E.D.N.Y.). Hartmann and Tordy have not been charged criminally.

Hartmann has agreed to entry of the proposed Judgment enjoining him from violations of Sections 5 and 17(a) of the Securities Act, and Sections 15(a) and 10(b) of the Exchange Act, and Rule 10b-5 thereunder; requiring him to disgorge \$3,591,388, representing \$3,594,818 in profits gained as a result of the conduct alleged in the complaint less \$3,430 forfeited in *U.S. v. All Funds Previously Seized in Place in the Following Accounts: Bank of America A/C 009476825850, in the Name of Agape World Operating, et al.*, CV-10-0624 (DRH) (ETB) (E.D.N.Y.), together with prejudgment

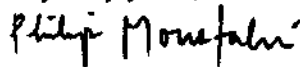
interest thereon in the amount of \$560,932, for a total of \$4,152,320; and imposing a civil penalty against him in the amount of \$3,594,818.

Tordy has agreed to entry of the proposed Judgment enjoining her from violations of Sections 5 and 17(a) of the Securities Act, and Sections 15(a) and 10(b) of the Exchange Act, and Rule 10b-5 thereunder; requiring her to disgorge \$1,048,485, representing profits gained as a result of the conduct alleged in the Commission's complaint, together with prejudgment interest thereon in the amount of \$163,761, for a total of \$1,212,246; and imposing a civil penalty against her in the amount of \$1,048,485. The proposed Judgment as to Tordy provides for \$968,485 of her disgorgement liability, plus prejudgment interest thereon in the amount of \$144,170, for a total of \$1,112,654, to be on a joint and several basis with Hartmann, representing amounts Hartmann paid to Tordy in connection with the conduct alleged in the complaint.

The Commission respectfully requests that Your Honor enter the proposed Judgments as to Hartmann and Tordy.

We are happy to answer any questions the Court may have.

Very truly yours,



Philip Moustakis  
Senior Attorney

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