1.

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

Plaintiff,

: Judge Leinenweber

v. : Magistrate Judge Denlow

DANIEL SPITZER, et al. : Civil Action No. 10 C 3758

Defendants.

FINAL JUDGMENT ORDER AGAINST DEFENDANT SPITZER AND ORDER OF PERMANENT INJUNCTION AGAINST ENTITY DEFENDANTS BY DEFAULT AND ORDER CONTINUING ASSET FREEZE

This matter coming to be heard on Plaintiff's Motion for Final Judgment Against

Defendant Spitzer and Permanent Injunction Against Entity Defendants and Continuation of

Order Imposing Asset Freeze (the "Motion"). The Court, having considered the memorandum in
support of that motion and all of the evidence and the arguments of the parties, and being fully
advised in the premises, hereby finds:

1. That this Court has jurisdiction over the subject matter of this case and
Defendants Daniel Spitzer; Kenzie Financial Management, Inc.; Kenzie Services LLC; Draseena
Funds Group, Corp.; Nerium Management Co.; Aneesard Management LLC; DN Management

Co. LLC; Arrow Fund, LLC; Arrow Fund II, LLC; Conservium Fund, LLC; Nerium Currency Fund, LLC; Senior Strength Q Fund, LLC; SSecurity Fund, LLC; Three Oaks Advanced Fund, LLC; Three Oaks Currency Fund, LP; Three Oaks Fund, LP; Three Oaks Fund 25, LLC; Three Oaks Senior Strength Fund, LLC; and USFirst Fund, LLC (referred to collectively as the "Defendants").

- 2. That each of the Defendants were served with the Complaint and failed to answer, plead, or otherwise respond to the Complaint filed in this action.
- 3. That Defendants engaged in transactions, acts, practices and courses of business which constitute violations of the federal securities laws. Specifically, they have engaged in transactions, acts, practices and courses of business which constitute violations of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)(1), 77q(a)(2) and 77q(a)(3)], 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. That Defendants Spitzer, Kenzie Financial Management, Inc. and Kenzie Services LLC have engaged in transactions, acts, practices and courses of business which constitute violations 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) promulgated thereunder [17 C.F.R. § 275.206-4(8)].
- 5. That without an order permanently enjoining Defendants from violating the securities laws set forth herein, there is a substantial likelihood that they will continue to violate the federal securities laws.

6. That it is necessary and appropriate for Defendant Daniel Spitzer to pay disgorgement, plus prejudgment interest, and a civil penalty, in order to make his violations of the federal securities laws unprofitable and to deter future violations.

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Motion by

Plaintiff Securities and Exchange Commission is GRANTED against Defendants Daniel Spitzer;

Kenzie Financial Management, Inc.; Kenzie Services LLC; Draseena Funds Group, Corp.;

Nerium Management Co.; Aneesard Management LLC; DN Management Co. LLC; Arrow Fund,

LLC; Arrow Fund II, LLC; Conservium Fund, LLC; Nerium Currency Fund, LLC; Senior

Strength Q Fund, LLC; SSecurity Fund, LLC; Three Oaks Advanced Fund, LLC; Three Oaks

Currency Fund, LP; Three Oaks Fund, LP; Three Oaks Fund 25, LLC; Three Oaks Senior

Strength Fund, LLC; and USFirst Fund, LLC.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Daniel Spitzer; Kenzie Financial Management, Inc.; Kenzie Services LLC; Draseena Funds Group, Corp.; Nerium Management Co.; Ancesard Management LLC; DN Management Co. LLC; Arrow Fund, LLC; Arrow Fund II, LLC; Conservium Fund, LLC; Nerium Currency Fund, LLC; Senior Strength Q Fund, LLC; SSecurity Fund, LLC; Three Oaks Advanced Fund, LLC; Three Oaks Currency Fund, LP; Three Oaks Fund, LP; Three Oaks Fund 25, LLC; Three Oaks Senior Strength Fund, LLC; and USFirst Fund, LLC., their officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order 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 Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(1), 77q(a)(2) and 77q(a)(3)].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Defendants

Daniel Spitzer; Kenzie Financial Management, Inc.; Kenzie Services LLC; Draseena Funds

Group, Corp.; Nerium Management Co.; Aneesard Management LLC; DN Management Co.

LLC; Arrow Fund, LLC; Arrow Fund II, LLC; Conservium Fund, LLC; Nerium Currency Fund,

LLC; Senior Strength Q Fund, LLC; SSecurity Fund, LLC; Three Oaks Advanced Fund, LLC;

Three Oaks Currency Fund, LP; Three Oaks Fund, LP; Three Oaks Fund 25, LLC; Three Oaks

Senior Strength Fund, LLC; and USFirst Fund, LLC, their officers, agents, servants, employees,

attorneys, assigns, and all persons in active concert or participation with them who receive actual

notice of this Order 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 [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F. R. §240.10b-5].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Defendants Daniel Spitzer, Kenzie Financial Management, Inc. and Kenzie Services LLC, their officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them are permanently restrained and enjoined from violating, directly or indirectly, as an investment adviser, Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and 80b-6(2)], by using the mails or means or instrumentalities of interstate commerce, directly or indirectly, to employ any device, scheme, or artifice to defraud any client or prospective client.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Defendants Daniel Spitzer, Kenzie Financial Management, Inc. and Kenzie Services LLC, their officers, agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them are permanently restrained and enjoined from violating, directly or indirectly, as an investment adviser, Sections 206(4) of the Advisers Act [15 U.S.C. §80b-6(4)] and Rule 206-4(8) promulgated thereunder [17 C.F.R. § 275.206-4(8)], while acting as investment advisers to a pooled investment vehicle, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (a) to engage in acts, practices or courses of business which are fraudulent, deceptive, or manipulative; or
- (b) to make untrue statements of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective in the pooled investment vehicle, or otherwise engaging in acts, practices or courses of business that were fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle.

VI.

Spitzer shall pay disgorgement in the amount of \$33,988,102 and prejudgment interest in the amount of \$10,093,866 to the United States Treasury. Defendants shall make this payment within ten (10) business days after entry of this Order 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, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Daniel Spitzer 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 Order.

VII.

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, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Daniel Spitzer 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 Order.

VIII.

IT IS HEREBY ORDERED that until the completion of the collections process or as otherwise ordered by the Court:

- (a) All funds and other assets of all of the Defendants shall remain frozen.
- (b) Accordingly, the Defendants and their officers, agents, servants, employees, attorneys, trustees and those persons in active concert or participation with any one or more of them, and each of them, who receive notice of the Order or of the terms of the asset freeze provisions contained herein are hereby restrained from, directly or indirectly, withdrawing, transferring, selling, pledging, encumbering, assigning, dissipating, concealing or otherwise disposing of, in any manner, any funds, assets, accounts or other property belonging to any Defendant.
- (c) Any bank, financial or brokerage institution or other person or entity holding any such funds or other assets referred to in this Order, in the name of, for the benefit of, or under the control of the Defendants which receives notice of this Order or of the terms of the asset freeze provisions contained herein, shall hold and retain within its control, and shall prohibit the withdrawal, removal, transfer,

disposition, pledge, encumbrance, assignment, set off, sale, liquidation, dissipation, concealment, or other disposal of, any such funds or other assets.

IX.

IT IS HEREBY ORDERED that the status hearing scheduled for December 1, 2010 at 9:00 a.m. is stricken.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including to implement and enforce the terms of this Order; and all other orders and decrees which may have been or may be entered in this case, and to grant such relief as this Court may deem necessary and just.

There is no just reason for delay, the Clerk of the Court is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Order forthwith.

IT IS SO ORDERED.

Dated: 12/6/2010

Honorable Harry D. Leinenweber United States District Court Judge