

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO.: 1:19-cv-24713 (KMW)**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

NEIL BURKHOLZ, FRANK BIANCO,
PALM FINANCIAL MANAGEMENT, LLC,
AND SHORE MANAGEMENT SYSTEMS, LLC,

Defendants, and

RHODA BURKHOLZ AND SUZANNE BIANCO,

Relief Defendants.

FINAL JUDGMENT AS TO DEFENDANT NEIL BURKHOLZ

THIS MATTER is before the Court on Plaintiff's motion for final default judgment against Defendant Neil Burkholz (DE 57). The motion is **GRANTED**. On March 4, 2020, the Clerk of Court entered a Clerk's Default against Defendant Neil Burkholz. (DE 53). The Court has reviewed Plaintiff Securities and Exchange Commission's (SEC) Motion for Default Judgment against Burkholz, all supporting documents, and the record. Based on the evidence and authorities presented therein, the Court finds that Burkholz has violated 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], and orders as follows:

I. Permanent Injunction

IT IS ORDERED, ADJUDGED, AND DECREED that Burkholz is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of 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 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 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) any investment in securities,
 - (B) the prospects for success of any investment,
 - (C) the use of investor funds,
 - (D) compensation to any person,
 - (E) the rates of the investment return, historically or in the future,
 - (F) investor account balances, or
 - (G) the misappropriation of investor funds or investment proceeds.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following

who receive actual notice of this Final Judgment by personal service or otherwise: (a) Burkholz's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Burkholz or with anyone described in (a).

II. Monetary Relief

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Burkholz is liable for disgorgement of \$373,651, representing his net illicit gains, plus prejudgment interest in the amount of \$55,928, and a financial penalty of \$920,825, for a total of \$1,350,404. Burkholz shall pay this amount within 30 days after entry of this Final Judgment.

Burkholz 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>. Burkholz 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; Burkholz's name as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

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

interest on any delinquent amounts pursuant to 28 USC § 1961. The Commission shall hold the funds, together with any interest and income 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 judgment to the United States Treasury.

III. Account Transfers

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, in partial satisfaction of Burkholz’s disgorgement obligation, within 3 days after being served with a copy of this Final Judgment, Wells Fargo Bank shall transfer the entire balance of the following bank accounts, which were frozen pursuant to an Order of this Court, to the Commission:

| Account Owner | Account Number |
|----------------------------------|----------------|
| Lifestyle Protection Group, Inc. | -4014 |
| Neil Burkholz, TTE | -3337 |
| Neil Burkholz LLC | -4843 |

Wells Fargo Bank 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>. Wells Fargo Bank also may transfer these funds 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

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and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; and specifying that payment is made pursuant to this Final Judgment.

IV. Conclusion

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.

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.

DONE AND ORDERED in chambers in Miami, Florida, this 11th day of May, 2020.



KATHLEEN M. WILLIAMS
UNITED STATES DISTRICT JUDGE