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ENTERED
JUL - 3 2003
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA OFFICE DEPUTY

LOGGED
MAY - 5 2003
11413
CLERK, U. S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY SOUTHERN DIVISION DEPUTY

FILED
JUN 30 2003
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA
DEPUTY

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION**

- Priority
- Send
- Clsd
- Enter
- JS-6/JS
- JS-27/JS

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

JERRY A. WOMACK,

Defendant.

Case No. SACV 01-1037 DOC (RCx)

**[PROPOSED] FINAL JUDGMENT
OF PERMANENT INJUNCTION
AND OTHER RELIEF AGAINST
JERRY A. WOMACK**

ENTER ON ICMS
JUL - 3 2003

The motion of Plaintiff Securities and Exchange Commission
("Commission") for summary judgment against defendant Jerry A. Womack
("Womack") came on for hearing before this Court. This Court, having granted
summary judgment in favor of the Commission and against Defendant Womack,
enters this Final Judgment of Permanent Injunction And Other Relief ("Final
Judgment").

I.

IT IS ORDERED, ADJUDGED AND DECREED that defendant Womack
and his officers, agents, servants, employees, attorneys, and all persons in active
concert or participation with any of them, who receive actual notice of this
Judgment, by personal service or otherwise, and each of them, are permanently

1 concert or participation with any of them, who receive actual notice of this
2 Judgment by personal service or otherwise, and each of them, are permanently
3 restrained and enjoined from, directly or indirectly, in the offer or sale of the
4 securities of any issuer, by the use of any means or instruments of transportation or
5 communication in interstate commerce or by the use of the mails:

- 6 A. employing any device, scheme or artifice to defraud;
- 7 B. obtaining money or property by means of any untrue statement of a
8 material fact or any omission to state a material fact necessary in order
9 to make the statements made, in the light of the circumstances under
10 which they were made, not misleading; or
- 11 C. engaging in any transaction, practice, or course of business which
12 operates or would operate as a fraud or deceit upon the purchaser;

13 in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

14 **III.**

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
16 defendant Womack and his agents, servants, employees, and all persons in active
17 concert or participation with any of them, who receive actual notice of this
18 Judgment by personal service or otherwise, and each of them, are permanently
19 restrained and enjoined from, directly or indirectly, in connection with the purchase
20 or sale of any security, by the use of any means or instrumentality of interstate
21 commerce, or of the mails, or of any facility of any national securities exchange:

- 22 A. employing any device, scheme, or artifice to defraud;
- 23 B. making any untrue statement of a material fact or omitting to state a
24 material fact necessary in order to make the statements made, in the
25 light of the circumstances under which they were made, not
26 misleading; or
- 27 C. engaging in any act, practice, or course of business which operates or
28 would operate as a fraud or deceit upon any person;

1 in violation of Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. §
2 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

3 IV.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Womack
5 and his officers, agents, servants, employees, attorneys, and those persons in active
6 concert or participation with any of them, who receive actual notice of this
7 Judgment, by personal service or otherwise, and each of them, be and hereby are
8 permanently restrained and enjoined from, by the use of the mails or any means or
9 instrumentality of interstate commerce, directly or indirectly:

10 A. employing any device, scheme, or artifice to defraud any client or
11 prospective client;

12 B. engaging in any transaction, practice, or course of business which
13 operates as a fraud or deceit upon any client or prospective client;

14 in violation of Section 206(1) and (2) of the Investment Advisers Act of 1940
15 (“Advisers Act”), 15 U.S.C. § 80b-6(1) and (2).

16 V.

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
18 Defendant Womack shall pay disgorgement in the amount of \$18,993,869.06
19 representing his ill-gotten gains from the conduct alleged in the Complaint, plus
20 prejudgment interest thereon, calculated pursuant to 28 U.S.C. § 1961, in the
21 amount of \$2,885,989.10. Defendant Womack shall pay the disgorgement and
22 prejudgment interest by cashier’s check, certified check or postal money order
23 made payable to the Securities and Exchange Commission and transmitted to the
24 Office of Financial Management, Securities and Exchange Commission, Operations
25 Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia, 22312, under
26 cover of a letter that identifies the defendant, the name and case number of this
27 litigation, and the court. A copy of the cover letter and the check or money order
28 shall be simultaneously transmitted to counsel for the Commission at its Los

1 Angeles office, located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles,
2 California 90036.

3 VI.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Womack
5 is assessed, and shall pay to the Commission for delivery to the United States
6 Treasury, civil penalties in the amount of \$110,000 pursuant to Section 20(d) of the
7 Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15
8 U.S.C. § 78u(d)(3), and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e).
9 Womack shall pay the above penalty by cashier's check, certified check, or postal
10 money order within thirty (30) days of entry of the Judgment. This payment shall
11 be made payable to the United States Treasury and shall be transmitted to the
12 Office of Financial Management, Securities and Exchange Commission, Operations
13 Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312, under cover of
14 a letter that identifies the defendant, the name and case number of this litigation, and
15 the court. Copies of this cover letter and the certified check shall be simultaneously
16 transmitted to counsel for the Commission in this action at its Pacific Regional
17 Office.

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VII.

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 Judgment and other orders and decrees which may be entered, and to grant such other relief as this Court may deem necessary and just.

* * * * *

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Judgment.

DATED: June 30, 2003

David O. Carter
THE HONORABLE DAVID O. CARTER
UNITED STATES DISTRICT JUDGE

Presented by:

Nick Morgan
Nicolas Morgan
Attorney for Plaintiff
Securities and Exchange Commission

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036.

Telephone: (323) 965-3998 Fax: (323) 965-3908

On May 5, 2003, I served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST JERRY A. WOMACK** upon the parties to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

PERSONAL SERVICE: I caused to be personally delivered each such envelope by hand to the office of the addressee in the attached service list.

FEDERAL EXPRESS: By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

FAX (BY AGREEMENT ONLY): By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

(Federal) I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made. I declare under penalty of perjury that the foregoing is true and correct

Date: May 5, 2003

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 **SEC v. JERRY A. WOMACK**
2 **United States District Court - Central District of California**
3 **Case No. SACV 01-1037 DOC (RCx)**
 (LA-1949)

4 **SERVICE LIST**

5 Jerry A. Womack
6 Fed. Reg. # 34510-048
7 62 Civic Center Plaza M88
8 P.O. Box 1981
9 Santa Ana, CA 92702

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