

Karen L. Martinez (Bar No. # 7914)
Thomas M. Melton (Bar No. # 4999)
Lindsay S. McCarthy (Bar No. # 5216)
Attorneys for the Plaintiff
SECURITIES AND EXCHANGE COMMISSION
50 South Main Street, Suite 500
Salt Lake City, UT 84144
(801) 524-5796

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U.S. DISTRICT COURT
DISTRICT OF UTAH
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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

SECURITIES AND EXCHANGE
COMMISSION,
Plaintiff,
v.
AMERICAN GOLD MINING
CORPORATION, a Nevada Corporation,
AND RONALD V. MARKHAM,
Defendants.

**FINAL JUDGMENT AGAINST RONALD
V. MARKHAM**

Civil No. 2:04CV00190 DB

Judge Dee Benson

The Court having review the Securities and Exchange Commission's ("Commission") Motion and Memorandum in Support of Motion for Default against Ronald V. Markham ("Defendant") and good cause appearing makes the following findings of fact:

STATEMENT OF FACTS

1. The Commission filed a Complaint against Markham on February 23, 2004.

18

2. On March 4, 2004 Fred D. Gibson, III, Esq., attorney for Ronald V. Markham waived service of the summons on behalf of his client and acknowledged receipt of the Complaint filed by the Commission in this Action.
3. A copy of the Acceptance of Service was provided to the court on March 15, 2004.
4. In the Waiver of Service of Summons Mr. Gibson acknowledged "judgment may be entered against Ronald V. Markham if an answer or motion under Rule 12 is not served upon you within 60 days after February 23, 2004."
5. To date, Markham has failed to file a response to the allegations contained in the Commission's February 23, 2004 Complaint.
6. No stipulation or extension of time to respond to the complaint has been entered into between Defendant and the Commission.
7. Defendant is not an infant or incompetent, and is not entitled to relief under the Soldiers' and Sailors' Civil Relief Act of 1940.
8. The Court has personal jurisdiction over the Defendant. Venue is proper in this District.

It appearing that the Court has jurisdiction over Defendant and the subject matter and being fully advised in the premises and there being no just reason for delay:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Defendant, and Defendant's agents, servants, employees and attorneys, and all persons acting in concert or participation with Defendant, who receive actual notice of this order by personal service or otherwise, and each of them, are permanently restrained from, directly or indirectly, 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 the use of the mails: (1)

employing any device, scheme, or artifice to defraud; (2) obtaining money or property by means of any untrue statement of a material fact or any omission 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; (3) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser in violation of Section 17(a) of the Securities Act of 1933 [15 U.S.C. §77q(a)].

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Defendant, and Defendant's agents, servants, employees and attorneys, and all persons acting in concert or participation with Defendant, who receive actual notice of this order by personal service or otherwise, and each of them, are permanently restrained from, directly or indirectly, singly or in concert, in connection with the purchase or sale of any security, by use of the means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (A) employing any device, scheme, or artifice to defraud;
- (B) making any untrue statement of a material fact or omitting 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) 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 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, Defendant's, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or

otherwise, and each of them, be and hereby are restrained and enjoined from, directly or indirectly, engaging in any transaction or practice in violation of Section 5(a) and 5(c) of the Securities Act. [15 U.S.C. § 77e(a) and 77e(c)].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$3,401,533.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest in the amount of \$1,118,014.42. Defendant shall satisfy this obligation by paying \$ 4,519,547.42, within ten business days to the Clerk of this Court, together with a cover letter identifying Markham 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 final payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such payments and letters to the Commission's counsel in this action. By making these payments, 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, by motion, propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty in the amount of \$120,000.00 pursuant to Section 20(d)(4) of the Securities Act of 1933 [15 U.S.C § 77t(d)(2)] and Section 21(d)(3) of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)]. Defendant shall make this

payment within ten business days after entry of this 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, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Ronald V. Markham 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 Judgment. Defendant shall simultaneously transmit photocopies of such payments and letters to the Commission's counsel in this action. By making these payments, 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, by motion, propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that Fund shall 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, 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, in any Related Investor Action, benefit from any offset or reduction of any investor's claim by the amount of any Fair Fund distribution to such investor in this action that is proportionately attributable to the civil penalty paid by Defendant ("Penalty Offset"). If the court in any Related Investor Action grants such an offset or reduction, Defendant shall, within 30 days after entry of a final order granting the offset or reduction, 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, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that this Court shall retain jurisdiction over this action for all other purposes.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED there being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure to enter this Final Judgment forthwith and without further notice.

DATED this 17th day of DECEMBER, 2004.



Dee Benson
DISTRICT JUDGE

CERTIFICATE OF SERVICE

I certify that on the 10th day of May 2004, I caused to be delivered the attached Proposed Order of Default and Final Judgment Against Ronald V. Markham, which was addressed to the following:

Fred D. Gibson, III, Esq.
Hale Lane Peek Dennison & Howard
2300 West Sahara Avenue,
Eighth Floor, Box 8
Las Vegas, NV 89102

Via United States Mail

Marie Elliott

kvs

United States District Court
for the
District of Utah
December 20, 2004

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:04-cv-00190

True and correct copies of the attached were either mailed, faxed or e-mailed by the clerk to the following:

Karen L. Martinez, Esq.
SECURITIES AND EXCHANGE COMMISSION
15 W SOUTH TEMPLE STE 1800
SALT LAKE CITY, UT 84101
EMAIL

American Gold Mining
C/O MARGARET OLIVER REG AGT
50 W LIBERT #880
RENO, NV 89501