

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

ONE WALL STREET, INC., DONTE C. JARVIS,  
ALAN BROWN, WILLIS "BILL" WHITE, III, and  
CECIL BAPTISTE, also known as JOHN LATORRI,

Defendants,

- and -

LA SHONDRA HATTER,

Relief Defendant.

06 Civ. 4217 (NGG/ARL)

**FINAL JUDGMENT AS TO**  
**DONTE C. JARVIS**

The plaintiff, Securities and Exchange Commission (the "Commission"), having filed a Complaint on August 21, 2006, and the defendant Donte C. Jarvis ("Jarvis" or "Defendant") having been duly served and having failed to appear or defend this action, and the Clerk having entered a default against Jarvis pursuant to Fed. R. Civ. P. 55 on April 25, 2007, and the Court on October 24, 2007 having entered an Order of Referral to Magistrate Judge Arlene Rosario Lindsay to conduct an inquest and determine the amount of disgorgement, prejudgment interest, and civil money penalty, if any, to be awarded against Jarvis and others, and Magistrate Judge Arlene Rosario Lindsay having filed a Report and Recommendation on September 4, 2008, and the Commission having served a copy of such Report and Recommendation upon Jarvis and the other parties to this action, and Jarvis having failed to object to such Report and Recommendation within 10 days, and the Court having reviewed such Report and

Recommendation and having approved the same on November 26, 2008, and it appearing to the Court that a Final Judgment against Jarvis should enter herein:

**I.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Jarvis and Jarvis'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 5 of the Securities Act of 1933 (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 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.

**II.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Jarvis and Jarvis'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, 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.

**III.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Jarvis and Jarvis'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 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, 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 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.

**IV.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that:

(a) Jarvis is liable for disgorgement of \$1,925,620, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest in the amount of \$526,379.03, which obligation shall be joint and several with the obligation of the defendant One Wall Street, Inc. for disgorgement and prejudgment interest, and a civil penalty in the amount of \$1,925,620 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78j(d)(3). Jarvis shall satisfy this obligation by paying \$4,377,619.03 within ten business days to the Clerk of this Court, together with a cover letter identifying Jarvis 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 the Final Judgment against Jarvis. Jarvis shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Jarvis

relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

(b) The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

(c) The Commission may by motion 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. 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, Jarvis shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Jarvis's payment of disgorgement in this action, argue that it is entitled to, nor shall it further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Jarvis's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Jarvis 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 Jarvis by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

**V.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that 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 ten days following entry of this Final Judgment. In response to any such civil contempt motion by the Commission, Jarvis may assert any legally permissible defense. The Commission may enforce the Court's judgment for a civil money penalty pursuant to the Federal Debt Collection Procedure Act, 28 U.S.C. §§ 3001, *et seq.*

**VI.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that the Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: Brooklyn, New York  
December 5, 2008

s/Nicholas G. Garaufis  
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UNITED STATES DISTRICT JUDGE