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CENTRAL DISTRICT OF CALIFORNIA
DEPUTY
BY

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CENTRAL DISTRICT OF CALIFORNIA
DEPUTY
BY

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

JOHN SEBASTIAN RAGAZZO

Defendant.

Civil Action No.
97-7140 HLH (VAPx)

Judge Harry L. Hupp
Magistrate Judge Virginia
A. Phillips

Final Judgment And
Order Of Permanent
Injunction And Other
Equitable Relief
Against John Sebastian
Ragazzo

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Plaintiff Securities and Exchange Commission ("Commission") having filed a Complaint for a Permanent Injunction, Civil Penalties and Other Equitable Relief ("Complaint") in this matter and Defendant John Sebastian Ragazzo ("Ragazzo") having, in his Consent and Stipulation attached hereto as Exhibit 1 and incorporated herein, acknowledged receipt of the Complaint and admitted the jurisdiction of this Court over him, and the Commission and Defendant Ragazzo having waived the entry of findings of fact and conclusions of law with regard to this Final Judgment and Order of Permanent Injunction and Other Equitable Relief ("Final Judgment"), and Defendant Ragazzo, without admitting or denying the allegations of the Complaint, except as stated above, and without trial, argument or adjudication of any facts or law herein, having consented to the entry of this Final Judgment, and it further appearing that the Court has jurisdiction over Defendant Ragazzo and over the subject matter hereof, and the Court being fully advised in the premises:

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ENTERED ON CLERK'S
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I.

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2 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant Ragazzo, his
3 officers, agents, servants, employees, attorneys, and those persons in active concert or participation with
4 him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them,
5 be and are hereby permanently restrained and enjoined from, directly or indirectly, as principals or aiders
6 and abettors, in the offer or sale of any securities, by the use of any means or instruments of
7 transportation or communication in interstate commerce, or by the use of the mails, employing any
8 device, scheme or artifice to defraud, in violation of Section 17(a)(1) of the Securities Act of 1933
9 (“Securities Act”) [15 U.S.C. § 77q(a)(1)].
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11 II.

12 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant Ragazzo, his
13 officers, agents, servants, employees, attorneys, and those persons in active concert or participation with
14 him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them,
15 be and are hereby permanently restrained and enjoined from, directly or indirectly, as principals or aiders
16 and abettors, in the offer or sale of any securities, by the use of any means or instruments of
17 transportation or communication in interstate commerce, or by the use of the mails, obtaining money or
18 property by means of any untrue statement of a material fact or omitting to state a material fact necessary
19 in order to make the statements made, in the light of the circumstances under which they were made, not
20 misleading or engaging in any transaction, practice or course of business which operates or would operate
21 as a fraud or deceit upon any purchaser, in violation of Section 17(a)(2) and 17(a)(3) of the Securities Act
22 [15 U.S.C. § 77q(a)(2) and § 77q(a)(3)].
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24 III.

25 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Ragazzo, his
26 officers, agents, servants, employees, attorneys and those persons in active concert or participation with
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V.

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2 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Ragazzo, his
3 officers, agents, servants, employees, attorneys and those persons in active concert or participation with
4 him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them,
5 be and hereby are permanently restrained and enjoined from, while acting as a broker, by the use of the
6 mails or of the means or instrumentalities of interstate commerce, effecting transactions in or inducing or
7 attempting to induce the purchase or sale of securities by means of manipulative, deceptive or other
8 fraudulent devices or contrivances, including engaging in acts, practices or courses of business which
9 operate and would operate as a fraud or a deceit, or making untrue statements of material facts or
10 omitting to state material facts necessary in order to make the statements made, in the light of the
11 circumstances under which they were made, not misleading, which statements or omissions were made
12 with knowledge or reasonable grounds to believe that they were untrue and misleading, in violation of
13 Section 15(c)(1) [15 U.S.C. §78o(c)(1)] of the Exchange Act and Rule 15c1-2 [17 C.F.R. §240.15c1-2]
14 promulgated thereunder.
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17 VI.

18 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Ragazzo pay
19 disgorgement in the amount of \$241,545 ("disgorgement amount") representing his gains from the
20 conduct alleged in the Complaint, plus pre-judgment interest. Based upon Defendant Ragazzo's sworn
21 representation in his Statement of Financial Condition dated January 14, 1998, submitted to the
22 Commission and attached hereto as Exhibit 2 ("Statement of Financial Condition"), payment of the
23 disgorgement amount and pre-judgment interest on the disgorgement amount is waived, contingent upon
24 the accuracy and completeness of his Statement of Financial Condition.
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VII.

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2 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that based upon Defendant
3 Ragazzo's sworn representations in his Statement of Financial Condition submitted to the Commission
4 and attached hereto as Exhibit 2, the Court is not ordering Defendant Ragazzo to pay a civil penalty
5 pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d)(3) of the Exchange
6 Act [15 U.S.C. §78u(d)(3)]. The determination not to impose a civil penalty and to waive payment of the
7 disgorgement amount and pre-judgment interest thereon is contingent upon the accuracy and
8 completeness of Defendant Ragazzo's Statement of Financial Condition. **PROVIDED HOWEVER,** that
9 if at any time following the entry of this Final Judgment the Commission obtains information indicating
10 that Defendant Ragazzo's representations to the Commission concerning his assets, income, liabilities,
11 expenses or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of
12 the time such representations were made, the Commission may, at its sole discretion and without prior
13 notice to Defendant Ragazzo, petition this Court for an order requiring him to pay the disgorgement
14 amount, pre-judgment and post-judgment interest thereon, and a civil penalty. In connection with any
15 such petition, the only issues shall be whether the financial information provided by Defendant Ragazzo
16 was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such
17 representations were made, and the amount of civil penalty and interest payment to be imposed. In its
18 petition, the Commission may move this Court to consider all available remedies, including, but not
19 limited to, ordering Defendant Ragazzo to pay funds or assets, directing the forfeiture of any assets, or
20 sanctions for contempt of this Final Judgment, and the Commission may also request additional
21 discovery. Defendant Ragazzo may not, by way of defense to such petition, challenge the validity of the
22 Consent or this Final Judgment, contest the allegations in the Complaint filed by the Commission, the
23 amount of disgorgement, interest or penalties, or assert that the payment of the disgorgement amount,
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1 civil penalty or the payment of pre-judgment or post-judgment interest on the disgorgement amount
2 should not be ordered.

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8 VIII.

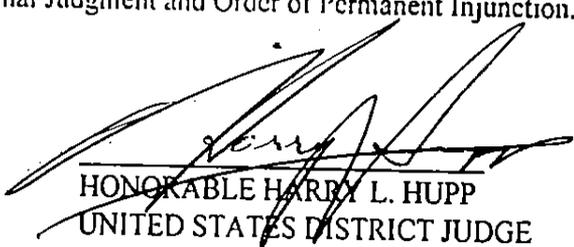
9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent
10 and Stipulation of Defendant Ragazzo be, and hereby is, incorporated herein with the same force and
11 effect as if fully set out herein.

12 IX.

13 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court shall retain
14 jurisdiction of this matter for all purposes.

15 X.

16 This Court makes an express determination that there is no just reason for delay and the Clerk
17 of the Court is hereby directed to enter this Final Judgment and Order of Permanent Injunction.

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HONORABLE HARRY L. HUPP
UNITED STATES DISTRICT JUDGE

DATED: 11/4/99