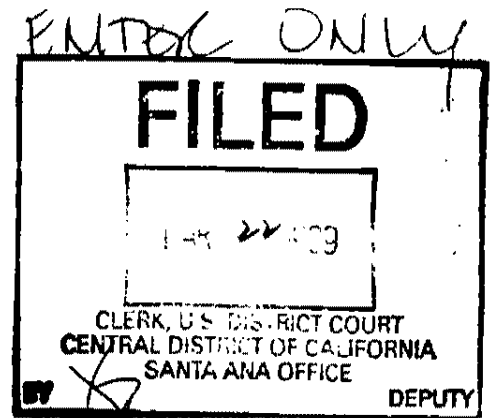


1 SANDRA J. HARRIS, Cal. Bar # 134153
 JOEL T. KORNFELD, Cal. Bar # 115945
 2 RENEE M. LEE, Cal. Bar # 156012

3 Attorneys for Plaintiff
 Securities and Exchange Commission
 4 Valerie Caproni, Regional Director
 5670 Wilshire Boulevard, 11th Floor
 5 Los Angeles, California 90036-3648
 Phone: (323) 965-3998
 6 Fax: (323) 965-3908



7
 8 UNITED STATES DISTRICT COURT
 9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 10 SOUTHERN DIVISION

11 SECURITIES AND EXCHANGE COMMISSION,
 12 Plaintiff,
 13 vs.

14 PATRICK L. ANTRIM, DAVID HUDSON III,
 LORETTA ANTRIM and MICHAEL S.
 15 WHITNEY,
 16 Defendants.

Case No. SACV 98-535 GLT (EEx)

[Proposed] FINAL JUDGMENT
 AGAINST DEFENDANT DAVID HUDSON

ENTERED

MAR 23 1999

CLERK, U.S. DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 SANTA ANA OFFICE

17
 18 FINAL JUDGMENT AGAINST DEFENDANT DAVID HUDSON III

19 WHEREAS:

20 1. This matter is before the Court on the application of
 21 Plaintiff Securities and Exchange Commission ("Commission") for
 22 entry of judgment following default against defendant David Hudson
 23 III.

24 2. The Commission has filed and served upon defendant David
 25 Hudson III its Complaint for Securities Law Violations and defendant
 26 David Hudson III has not answered, plead or otherwise defended the
 27 Complaint.

28 3. The Clerk of the Court has entered a default against

1 defendant David Hudson III on August 20, 1998 for failing to answer,
2 plead or otherwise defend this action.

3 4. The Court having considered the papers filed in support of
4 the application for default judgment, it is hereby:

5 I.

6 ORDERED, ADJUDGED AND DECREED that the Commission's Application
7 For Entry Of Default Judgment Against Defendant David Hudson III is
8 GRANTED.

9 II.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant
11 David Hudson III and his agents, servants, employees, and attorneys,
12 and all persons in active concert or participation with any of them,
13 who receive actual notice of this Final Judgment by personal service
14 or otherwise, and each of them, are permanently restrained and
15 enjoined from, directly or indirectly, in connection with the offer
16 or sale of the security, by the use of any means or instruments of
17 transportation or communication in interstate commerce or by the use
18 of the mails:

19 A. employing any device, scheme, or artifice to defraud;

20 B. obtaining money or property by means of any untrue
21 statement of a material fact or by omitting to state a
22 material fact necessary in order to make the statements
23 made, in the light of the circumstances under which they
24 were made, not misleading; or

25 C. engaging in any transaction, practice, or course of
26 business which operates or would operate as a fraud or
27 deceit upon the purchaser;

28 in violation of Section 17(a) of the Securities Act of 1933

1 ("Securities Act") [15 U.S.C. § 77q(a)].

2 III.

3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant
4 David Hudson III and his agents, servants, employees and attorneys,
5 and all persons in active concert or participation with any of them,
6 who receive actual notice of this Final Judgment by personal service
7 or otherwise, and each of them, are permanently restrained and
8 enjoined from, directly or indirectly, in connection with the
9 purchase or sale of any security, by the use of any means or
10 instrumentality of interstate commerce, or of the mails, or of any
11 facility of any national securities exchange:

12 A. employing any device, scheme, or artifice to defraud;

13 B. making any untrue statement of material fact or omitting
14 to state a material fact necessary in order to make the
15 statements made, in the light of the circumstances under
16 which they were made, not misleading; or

17 C. engaging in any act, practice, or course of business which
18 operates or would operate as a fraud or deceit upon any
19 person;

20 in violation of Section 10(b) of the Securities Exchange Act of 1934
21 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17
22 C.F.R. § 240.10b-5].

23 IV.

24 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant
25 David Hudson III and his agents, servants, employees and attorneys,
26 and all persons in active concert or participation with any of them,
27 who receive actual notice of this Final Judgment by personal service
28 or otherwise, and each of them, are permanently restrained and

1 enjoined from, directly or indirectly, making use of the mails or
2 any means or instrumentality of interstate commerce to effect any
3 transaction in, or to induce or attempt to induce the purchase or
4 sale of, any security (other than an exempted security or commercial
5 paper, bankers' acceptances, or commercial bills) unless and until
6 becoming registered in accordance with Section 15(b) of the Exchange
7 Act [15 U.S.C. § 78o(b)] in violation of Section 15(a)(1) of the
8 Exchange Act [15 U.S.C. § 78o(a)(1)].

9 V.

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant
11 David Hudson III pay disgorgement in the amount of \$819,108.61, plus
12 prejudgment interest thereon in the amount of \$52,770.95 calculated
13 as of October 31, 1998 and \$132.71 for each day thereafter, prior to
14 entry of the final judgment, compounded on an annual basis; and that
15 David Hudson III is jointly and severally liable with defendants
16 Patrick L. Antrim and Loretta Antrim for the payment of the
17 disgorgement and prejudgment interest amounts. Defendant David
18 Hudson III shall pay this disgorgement and prejudgment interest by
19 cashier's check, certified check or postal money order within thirty
20 (30) days of entry of this Final Judgment. This disgorgement and
21 interest payment shall be made payable to the United States
22 Securities and Exchange Commission, and shall be transmitted to the
23 Comptroller, Securities and Exchange Commission, 6432 General Green
24 Way, Suite B, Mail Stop 0-3, Alexandria, Virginia 22312, under cover
25 of a letter that identifies the defendants, the name and case number
26 of this litigation, and the court. A copy of the cover letter shall
27 be simultaneously transmitted to counsel for the Commission in this
28 action at its Los Angeles, California office.


1 *
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction over this action for the purposes of determining, implementing and carrying out the terms of this Final Judgment and all other orders and decrees that may be entered herein, and to granting such other relief as the Court may deem necessary and just.

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

DATED: March 19, 1999


UNITED STATES DISTRICT JUDGE