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NO JS-6
FILED
CLERK, U.S. DISTRICT COURT
JAN - 4 1999
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

8 UNITED STATES DISTRICT COURT

9 FOR THE CENTRAL DISTRICT OF CALIFORNIA

10 WESTERN DIVISION

11 SECURITIES AND EXCHANGE COMMISSION

Case No. 98-6467 MRP (RNBx)

12 Plaintiff,

FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST ALAN LENCHNER

14 INTERNET CASINO SPORTS GAMING, LLC
INTERNET CASINO SPORTS GAMING,
15 INC., ROBERT MATIAS a/k/a ROBERT
DUVALL, and ALAN LENCHNER a/k/a
16 ALAN LANE,

17 Defendants.

ENTERED
CLERK, U.S. DISTRICT COURT
JAN - 6 1999
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

18
19
20 Plaintiff Securities and Exchange Commission ("Commission"),
21 having filed and served upon Defendant Alan Lenchner ("Lenchner") a
22 Summons and Complaint in this action; Lenchner having admitted
23 service upon it of the Summons and Complaint in this action and the
24 jurisdiction of this Court over him/her/it and over the subject
25 matter of this action; having been fully advised and informed of
26 his/her/its right to a judicial determination of this matter; having
27 waived the entry of findings of fact and conclusions of law as

28 provided by Rule 52 of the Federal Rules of Civil Procedure; having

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SECURITIES AND EXCHANGE COMMISSION
LOS ANGELES
BY: M.M.

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LENCHNER JUDGMENT

41.

1 consented to the entry of this Final Judgment Of Permanent
2 Injunction And Other Relief Against Defendant Alan Lenchner ("Final
3 Judgment"), without admitting or denying the allegations in the
4 Complaint except as specifically set forth in the Consent Of
5 Defendant Alan Lenchner To Entry Of Final Judgment Of Permanent
6 Injunction And Other Relief ("Consent"); no notice of hearing upon
7 the entry of this Final Judgment being necessary; and this Court
8 being fully advised:

9 I.

10 IT IS ORDERED, ADJUDGED & DECREED that Lenchner and its
11 officers, agents, servants, employees, attorneys, and all persons in
12 active concert or participation with any of them, who receive actual
13 notice of this Judgment, by personal service or otherwise, and each
14 of them, are permanently restrained and enjoined from, directly or
15 indirectly:

- 16 A. making use of any means or instruments of
17 transportation or communication in interstate commerce
18 or of the mails to sell the securities of any issuer,
19 through the use or medium of any prospectus or
20 otherwise, unless and until a registration statement is
21 in effect as to such securities;
- 22 B. carrying or causing to be carried through the mails or
23 in interstate commerce, by any means or instruments of
24 transportation, for the purpose of sale or for delivery
25 after sale, the securities of any issuer, unless and
26 until a registration statement is in effect as to such
27 securities; and

28

1 C. making use of any means or instruments of
2 transportation or communication in interstate commerce
3 or of the mails to offer to sell or offer to buy,
4 through the use or medium of any prospectus or
5 otherwise, the securities of any issuer, unless and
6 until a registration statement has been filed with the
7 Commission as to such securities, or while a
8 registration statement has been filed with the
9 Commission as to such securities, or while a
10 registration statement as to such securities is the
11 subject of a refusal order or stop order or (prior to
12 the effective date of the registration statement) any
13 public proceeding or examination under Section 8 of the
14 Securities Act [15 U.S.C. § 77h];

15 in violation of Sections 5(a) and 5(c) of the Securities Act [15
16 U.S.C. §§ 77e(a) & 77e(c)]; provided, however, that nothing in this
17 Judgment shall apply to any security or transaction which is exempt
18 from the provisions of Section 5 of the Securities Act [15 U.S.C. §
19 77e].

20 **II.**

21 IT IS ORDERED, ADJUDGED AND DECREED that Lenchner and its
22 agents, servants, employees and attorneys, and all persons in active
23 concert or participation with any of them, who receive actual notice
24 of this Final Judgment by personal service or otherwise, and each of
25 them, are permanently restrained and enjoined from, directly or
26 indirectly, in the offer or sale of the securities of any issuer, by
27 the use of any means or instruments of transportation or
28 communication in interstate commerce or by the use of the mails:

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

10 in violation of Section 17(a) of the Securities Act of 1933 [15
11 U.S.C. § 77q(a)].

12 **III.**

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

- 23 A. employing any device, scheme, or artifice to defraud;
- 24 B. making any untrue statement of a material fact or
- 25 omitting to state a material fact necessary in order
- 26 to make the statements made, in the light of the
- 27 circumstances under which they were made, not
- 28 misleading; or

1 C. engaging in any act, practice, or course of business
2 which operates or would operate as a fraud or deceit
3 upon any person;
4 in violation of Section 10(b) of the Securities Exchange Act of 1934
5 [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5].

6 IV.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant
8 Lenchner shall pay disgorgement in the amount of \$93,320.16
9 representing his gains from the conduct alleged in the Complaint,
10 plus prejudgment interest thereon in the amount of \$1,942.45
11 (through December 1, 1998), totalling \$95,262.61. Based upon
12 Lenchner's sworn representations in his Statement of Financial
13 Condition dated August 31, 1998, and submitted to the Commission,
14 payment of the disgorgement and pre-judgment interest thereon is
15 waived. This waiver, and the Commission's determination not to seek
16 civil money penalties pursuant to 15 U.S.C. §§ 77t(d) and 78u(d)(3),
17 are contingent upon the accuracy and completeness of his Statement
18 of Financial Condition. If at any time following the entry of this
19 Judgment the Commission obtains information indicating that
20 Lenchner's representations to the Commission concerning his assets,
21 income, liabilities, or net worth were fraudulent, misleading,
22 inaccurate or incomplete in any material respect as of the time such
23 representations were made, the Commission may, at its sole
24 discretion and without prior notice to Lenchner, petition this Court
25 for an order modifying this Judgment to require other payment of
26 disgorgement, pre-judgment and post-judgment interest, pursuant to
27 15 U.S.C. §§ 77t(d) and 78u(d)(3). In connection with any such
28 petition, the only issue shall be whether the financial information

1 provided by Lenchner was fraudulent, misleading, inaccurate or
2 incomplete in any material respect as of the time such
3 representations were made. In its petition, the Commission may move
4 this Court to consider all available remedies, including, but not
5 limited to, ordering Lenchner to pay funds or assets, directing the
6 surrender of any assets, or sanctions for contempt of this Judgment,
7 and the Commission may also request additional discovery. Lenchner
8 may not, by way of defense to such petition, challenge the validity
9 of this Consent or the Judgment, contest the allegations in the
10 Complaint filed by the Commission, the amount of disgorgement,
11 interest and penalties, or assert that disgorgement, interest and
12 penalties should not be ordered.

13 V.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Lenchner shall
15 either cancel or transfer to Internet Casino Sports Gaming, L.L.C.
16 any membership, claim, or other interest held by him, directly or
17 indirectly, in Internet Casino Sports Gaming, L.L.C. and Internet
18 Casino Sports Gaming, Inc.

19 VI.

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions
21 of the Consent filed concurrently with this Final Judgment are
22 incorporated by this reference, and that Lenchner shall comply with
23 the Consent.

24 VII.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court
26 shall retain jurisdiction over this action for all purposes,
27 including to determine the liability of any remaining defendants in
28 this action, to implement and enforce the terms of this Final

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

3 * * * * *

4 There being no just reason for delay, the Clerk of the Court is
5 directed, pursuant to Rule 54(b) of the Federal Rules of Civil
6 Procedure, to enter this Final Judgment.

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8 DATED: *January 4, 1998*

Marianne R. P. [Signature]
UNITED STATES DISTRICT JUDGE

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