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CENTRAL DISTRICT OF CALIF.
LOS ANGELES
DISTRICT COURT

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10 UNITED STATES DISTRICT COURT
11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

12 WESTERN DIVISION

13 SECURITIES AND EXCHANGE COMMISSION,
14 Plaintiff,
15 vs.
16 NICHOLAS L. GERANIO; CALIFORNIA
LASER COMPANY,
17 Defendants.

Case No. CV 99-4702 WJR (AIJx)
FINAL JUDGMENT OF PERMANENT
INJUNCTION AND DISGORGEMENT
AGAINST DEFENDANT NICHOLAS L.
GERANIO

18
19 THIS CONSTITUTES NOTICE OF ENTRY
20 AS REQUIRED BY FRCP, RULE 77(d).

21 ENTERED
CLERK U.S. DISTRICT COURT
JUN 10 2000
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

22 Docketed
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24 JS-5 / JS-5
25 JS-2 / JS-3
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22 Plaintiff Securities and Exchange Commission (Commission)
23 having filed and served upon Defendant Nicholas L. Geranio
24 (Defendant) a Summons and Complaint in this action; Defendant having
25 admitted service upon him of the Summons and Complaint in this
26 action and the jurisdiction of this Court over them and over the
27 subject matter of this action; having been fully advised and
28 informed of their right to a judicial determination of this matter;

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1 having waived the entry of findings of fact and conclusions of law
2 as provided by Rule 52 of the Federal Rules of Civil Procedure;
3 having consented to the entry of this Final Judgment of Permanent
4 Injunction and Disgorgement Against Defendant Nicholas L. Geranio
5 (Final Judgment), without admitting or denying the allegations in
6 the Complaint except as specifically set forth in the Consent of
7 Defendant Nicholas L. Geranio to Entry of Final Judgment of
8 Permanent Injunction and Disgorgement (Consent); it appearing that
9 no notice of hearing upon the entry of this Final Judgment being
10 necessary; and this Court being fully advised in the premises, and
11 there being no just reason for delay:

12 I.

13 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant and
14 his officers, agents, servants, employees and attorneys, and all
15 persons in active concert or participation with any of them, who
16 receive actual notice of this Final Judgment by personal service or
17 otherwise, and each of them, are permanently restrained and enjoined
18 from, directly or indirectly, in the absence of any applicable
19 exemption:

- 20 A. making use of any means or instruments of transportation
21 or communication in interstate commerce or of the mails to
22 sell a security through the use or medium of any
23 prospectus or otherwise; or
24 B. carrying or causing to be carried through the mails or in
25 interstate commerce, by any means or instrument of
26 transportation, any security for the purpose of sale or
27 delivery after sale;

28 unless a registration statement is in effect, in violation of

1 Section 5(a) of the Securities Act of 1933 ("Securities Act")
2 [15 U.S.C. §§ 77e(a)].

3 II.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and
5 his officers, agents, servants, employees and attorneys, and all
6 persons in active concert or participation with any of them, who
7 receive actual notice of this Final Judgment by personal service or
8 otherwise, and each of them, are permanently restrained and enjoined
9 from, directly or indirectly, in the absence of any applicable
10 exemption, making use of any means or instruments of transportation
11 or communication in interstate commerce or of the mails to offer to
12 sell or offer to buy through the use or medium of any prospectus or
13 otherwise any security, unless a registration statement has been
14 filed as to such security, or while the registration statement is
15 the subject of a refusal order or stop order or (prior to the
16 effective date of the registration statement) any public proceeding
17 or examination under Section 8 of the Securities Act, in violation
18 of Section 5(c) of the Securities Act [15 U.S.C. §§ 77e(c)].

19 III.

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

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

1 B. obtaining money or property by means of any untrue
2 statement of a material fact or any omission to state a
3 material fact necessary in order to make the statements
4 made, in the light of the circumstances under which they
5 were made, not misleading; or

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

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

11 IV.

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

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

22 B. making any untrue statement of a material fact or omitting
23 to state a material fact necessary in order to make the
24 statements made, in the light of the circumstances under
25 which they were made, not misleading; or
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1 C. engaging in any act, practice, or course of business which
2 operates or would operate as a fraud or deceit upon any
3 person;

4 in violation of Section 10(b) of the Securities Exchange Act of 1934
5 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder
6 [17 C.F.R. § 240.10b-5].

7 V.

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
9 shall pay disgorgement in the amount of \$252,505.61, representing
10 the amount he gained from the conduct alleged in the Complaint, plus
11 prejudgment interest thereon. Based upon Defendant's sworn
12 representations in his financial statements, which were completed in
13 or about December 1999 and subsequently submitted to the Commission,
14 payment of disgorgement and prejudgment interest thereon is waived
15 as to Defendant. This waiver is contingent upon the accuracy and
16 completeness of his financial statements and declarations under
17 penalty of perjury. If at any time following the entry of the Final
18 Judgment the Commission obtains information indicating Defendant's
19 representations to the Commission concerning his assets, income,
20 liabilities or net worth were fraudulent, misleading, inaccurate or
21 incomplete in any material respect as of the time such
22 representations were made, the Commission may, at its sole
23 discretion and without prior notice to Defendant, petition the Court
24 for an order modifying the Final Judgment to require other payment
25 of disgorgement, and prejudgment and post-judgment interest thereon.
26 In connection with any such petition, the only issue shall be
27 whether the financial information provided by Defendant was
28 fraudulent, misleading, inaccurate or incomplete in any material

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

11 VI.

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based upon
13 Defendant's sworn financial statements, the Court is not ordering
14 Defendant to pay a civil penalty under the Securities Enforcement
15 and Penny Stock Reform Act of 1990 pursuant to Section 20(d) of the
16 Securities Act and Section 21(d)(3) of the Exchange Act. The
17 determination not to impose a civil penalty against Defendant is
18 contingent upon the accuracy and completeness of Defendant's
19 financial statements. If at any time following the entry of this
20 Final Judgment the Commission obtains information indicating that
21 Defendant's representations in their sworn financial statements
22 concerning his assets, income, liabilities or net worth were
23 fraudulent, misleading, inaccurate or incomplete in any material
24 respect as of the time such representations were made, the
25 Commission may, at its sole discretion and without prior notice to
26 Defendant, petition this Court for an order requiring Defendant to
27 pay a civil penalty. In connection with any such petition, the only
28 issue shall be whether the financial statements provided by

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

13 VII.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions
15 of the Consent filed concurrently with this Final Judgment are
16 incorporated herein with the same force and effect as if fully set
17 forth herein and that Defendant shall comply with his Consent.

18 VIII.

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court
20 shall retain jurisdiction over this action to determine the
21 liability of any remaining defendants in this action, to implement
22 and to enforce the terms of this Final Judgment and all other orders
23 and decrees that may be entered herein and to grant such other
24 relief as the Court may deem necessary and just.

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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.

DATED: 7-7-00


UNITED STATES DISTRICT JUDGE

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

United States Securities and Exchange Commission, Pacific Regional Office, 11th Floor, 5670 Wilshire Boulevard, Los Angeles, California 90036-3648, Fax: (323) 965-3908.

On June 27, 2000, I served the foregoing document entitled **FINAL JUDGMENT OF PERMANENT INJUNCTION AND DISGORGEMENT AGAINST DEFENDANT NICHOLAS L. GERANIO** on all parties to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this firm's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

PERSONAL SERVICE: I personally delivered each such envelope by hand to the office of the addressee.

FEDERAL EXPRESS: By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

FAX (BY AGREEMENT ONLY): By transmitting the document by facsimile transmission at the time shown on the attached transmission report. The transmission was reported as complete and without error, and the attached transmission report was properly issued by the transmitting fax machine.

(Federal) I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made.

Date: June 27, 2000

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 SEC v. NICHOLAS L. GERANIO, et al.
2 United States District Court - Central District of California
3 Case No. CV 99-4702 WJR (AIJx)
4 (LA-997)

5 SERVICE LIST

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