

1 LUIS R. MEJIA  
Securities and Exchange Commission  
2 450 Fifth Street, N.W.  
Washington, D.C. 20549-0808  
3 Phone: (202) 942-4744 (Mejia)  
Fax: (202) 942-9569 (Mejia)

4 Local Counsel:

5 GREGORY C. GLYNN, Cal. Bar # 039999  
Securities and Exchange Commission  
6 5670 Wilshire Boulevard, 11th Floor  
Los Angeles, CA 90036-3648  
7 Phone: (323) 965-3998  
Fax: (323) 965-3812

FILED  
CLERK, U.S. DISTRICT COURT  
JAN 25 2001  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

2001 JAN 22 PM 3:11  
U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.

LOGGED

9 UNITED STATES DISTRICT COURT  
10 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
11 WESTERN DIVISION

ENTERED  
CLERK, U.S. DISTRICT COURT  
JAN 26 2001  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

12 SECURITIES AND EXCHANGE COMMISSION, : Case No. 99-13139 CBM(AJWX)

13 Plaintiff, :

14 vs. :

15 ARASH AZIZ-GOLSHANI, et al. :

16 Defendants. :

13 : ~~PROPOSED~~  
14 : FINAL JUDGMENT  
15 : OF PERMANENT INJUNCTION  
16 : AND OTHER EQUITABLE RELIEF

Priority \_\_\_\_\_  
Send  \_\_\_\_\_  
Enter  \_\_\_\_\_  
Closed \_\_\_\_\_  
JS-1/JS-6  ND  
JS-2/JS-3 \_\_\_\_\_  
Scan Only \_\_\_\_\_

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

20 Plaintiff Securities and Exchange Commission, ("SEC"), having  
21 filed an Amended Complaint in this action; and the Defendant Hootan  
22 Melamed having acknowledged service of process; having entered a  
23 general appearance; having consented to venue of this action; having  
24 admitted jurisdiction of this Court over him and over the subject  
25 matter of this action; having been fully advised and informed of his  
26 right to a judicial determination of this action; having withdrawn  
27 his answer and waived the entry of findings of fact and conclusions  
28 of law as provided by Rule 52 of the Federal Rules of Civil

- Docketed
- Copies / NTC Sent
- JS - 5 / JS - 6
- JS - 2 / JS - 3
- CLSD

JAN 26 2001

65

1 Procedure; having waived any right he may have to appeal from the  
2 entry of this Final Judgment; having consented to the entry of this  
3 Final Judgment without admitting or denying any of the allegations in  
4 the Amended Complaint, except as specifically set forth in the  
5 Consent and Undertaking ("Consent"); it appearing that no notice of  
6 hearing upon entry of this Final Judgment being necessary; and the  
7 Court being fully advised in the premises; and there being no just  
8 reason for delay;

9 I.

10 IT IS HEREBY ORDERED, that Hootan Melamed, his agents,  
11 servants, attorneys, and those persons in active concert or  
12 participation with any of them, who receive actual notice of this  
13 Order, by personal service or otherwise, and each of them, be and  
14 hereby are permanently enjoined from, directly or indirectly, in  
15 connection with the offer or sale of any securities, by the use of  
16 any means or instruments of transportation or communication in  
17 interstate commerce or by the use of the mails:

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

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

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

26 in violation of Section 17(a) of the Securities Act [15 U.S.C. §  
27

28

1 77q(a)].

2 II.

3 IT IS FURTHER ORDERED, that Hootan Melamed, his agents,  
4 servants, attorneys, and those persons in active concert or  
5 participation with any of them, who receive actual notice of this  
6 Order, by personal service or otherwise, and each of them, be and  
7 hereby are permanently enjoined from, directly or indirectly, in  
8 connection with the purchase or sale of any securities, by the use of  
9 any means or instrumentality of interstate commerce, or of the mails,  
10 or of any facility of any national securities exchange:

- 11 A. employing any device, scheme, or artifice to defraud;
- 12 B. making any untrue statement of a material fact or omitting  
13 to state a material fact necessary in order to make the statements  
14 made, in the light of the circumstances under which they were made,  
15 not misleading; or
- 16 C. engaging in any act, practice, or course of business which  
17 operates or would operate as a fraud or deceit upon any person;  
18 in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)  
19 and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

20 III.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Melamed shall  
22 pay disgorgement in the amount of \$213,178, representing gains from  
23 the purchase and sale of the securities of NEI Webworld, Inc.,  
24 JustWebIt, and Foodvision, as alleged in the Amended Complaint,  
25 together with prejudgment interest thereon. Of this amount, Melamed  
26 is jointly and severally liable with Allen Derzakharian for

27

28

1 disgorgement in the amount of \$211,250, plus prejudgment interest  
2 thereon, representing gains from the purchase and sale of the  
3 securities of NEI Webworld, Inc., through his joint account at Web  
4 Street Securities, account number 933-766-23-25 ("Web Street  
5 Account"). Compliance by Melamed of each of the undertakings set  
6 forth in paragraph 12 of his consent, including but not limited to  
7 taking all necessary steps to cause the entire balance of the Web  
8 Street Account to be transferred to the Registry of the Court, shall  
9 satisfy completely his liability for the amounts of disgorgement and  
10 interest arising from transactions in NEI Webworld, Inc. Melamed is  
11 solely liable for disgorgement of an additional \$1928, plus  
12 prejudgment interest thereon, representing his gains from the  
13 purchase and sale of the securities of JustWebIt and Foodvision.

14 IV.

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon  
16 Melamed's sworn representations in his Statement of Financial  
17 Condition dated June 30, 2000 and supplemented on July 11, 2000  
18 submitted to the Commission, the Court is not ordering him to pay a  
19 civil penalty pursuant to Section 21(d)(3)(A) of the Exchange Act [15  
20 U.S.C. § 78u(d)(3)(A)]. The determination not to impose a greater  
21 civil penalty is contingent on the accuracy and completeness of the  
22 Financial Statement. If at any time following the entry of the Final  
23 Judgment the Commission obtains information indicating that Melamed's  
24 representations to the Commission concerning his assets, income,  
25 liabilities, or net worth were fraudulent, misleading, inaccurate or  
26 incomplete in any material respect as of the time such

1 representations were made, the Commission may, at its sole discretion  
2 and without prior notice to Melamed, petition the Court for an order  
3 requiring Melamed to pay civil penalties. In connection with any  
4 such petition, the only issues shall be whether the financial  
5 information provided by Melamed was fraudulent, misleading,  
6 inaccurate or incomplete in any material respect as of the time such  
7 representations were made, and the amount of civil penalty to be  
8 imposed. In any such petition, the Court may impose all available  
9 remedies, including, but not limited to, ordering Melamed to pay  
10 funds or assets, directing the forfeiture of any assets, or sanctions  
11 for contempt of the Court's Final Judgment, and the Court may permit  
12 additional discovery. Melamed may not, by way of defense to such  
13 petition, challenge the validity of this Consent or the Final  
14 Judgment, contest the allegations in the Amended Complaint filed by  
15 the Commission, contest the amount of disgorgement and interest, or  
16 assert that disgorgement or payment of a civil penalty should not be  
17 ordered.

18 V.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Melamed shall  
20 take all necessary steps to cause the entire balance of the Web  
21 Street Account, consisting of the proceeds of the trading in NEI  
22 Webworld, together with interest that has accrued thereon, to be  
23 transferred to the Registry of the Court, in satisfaction of his  
24 joint and several liability for the trading in NEI Webworld. Melamed  
25 shall also deliver into the Registry of the Court within (10)  
26 business days of the entry of the Final Judgment a certified check  
27

1 made payable to Clerk, U.S. District Court, in the amount of \$2066,  
2 consisting of \$1928 in profits from his trading in JustWebIt and  
3 Foodvision, together with prejudgment interest of \$138 thereon. The  
4 payments required herein shall each be accompanied by a letter that  
5 identifies the defendant, the name and case number of this  
6 litigation, and the name of the Court and a copy of the Final  
7 Judgment in this case. The check and proceeds from the Web Street  
8 Account shall be personally delivered to and served upon the Clerk of  
9 the Court or Chief Deputy Clerk. Copies of the check, documentation  
10 of transfer of funds from the Web Street Account, and letters shall  
11 be simultaneously transmitted to Trial Counsel for the SEC in this  
12 matter at the SEC's Washington, D.C. Office. The funds delivered  
13 into the Registry of the Court described herein shall thereafter be  
14 distributed in accordance with a Court approved plan for distribution  
15 of disgorgement funds to be proposed by the Commission. Melamed  
16 shall not be entitled to service of the plan proposed by the  
17 Commission, and shall not have the right to be heard with respect to  
18 the Court's consideration of such plan. In no event shall any of the  
19 funds paid into the Registry of the Court revert directly or  
20 indirectly to Melamed or his successors, heirs or assigns.

21 VI.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Clerk of  
23 the Court shall deposit Melamed's payments described above into an  
24 interest bearing account pending further disposition by the Court  
25 pursuant to Rule 67, Fed. R. Civ. P, and Local Rule 22.

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

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED, that the provisions of the Consent of Hootan Melamed filed concurrently with the Final Judgment are incorporated herein with the same force and effect as if fully set forth herein and that he shall comply with his Consent.

VIII.


IT IS FURTHER ORDERED, that this Court shall retain jurisdiction over this action for the purpose of enforcing this Final Judgment.

IX.

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 and without further notice.

IT IS SO ORDERED

DATED: 1/25, 2001

  
\_\_\_\_\_  
CONSUELO B. MARSHALL  
UNITED STATES DISTRICT JUDGE