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FILED  
CLERK, U.S. DISTRICT COURT  
FEB 28 2003  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

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

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CLERK, U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

SECURITIES & EXCHANGE COMMISSION,  
Plaintiff,

vs.

J.T. WALLENBROCK & ASSOCIATES,  
LARRY TOSHIO OSAKI,  
VAN Y. ICHINOTSUBO and  
CITADEL CAPITAL MANAGEMENT GROUP, INC.  
Defendants.

Case No. 02-00808 ER (SHx)  
Honorable Judge  
EDWARD RAFEEDIE

~~PROPOSED~~ ORDER OF  
PERMANENT INJUNCTION  
AGAINST DEFENDANTS

[FILED CONCURRENTLY WITH THE  
CONSENT OF DEFENDANTS  
WALLENBROCK & ASSOCIATES,  
LARRY TOSHIO OSAKI, VAN Y.  
ICHINOTSUBO AND CITADEL  
CITADEL CAPITAL MANAGEMENT  
GROUP, INC.]

ENTERED  
CLERK, U.S. DISTRICT COURT  
3-3-03  
MAR 3 2003  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

207

1 Plaintiff, Securities & Exchange Commission, having filed a Complaint and  
2 Defendants Wallenbrock & Associates, Larry Toshio Osaki, Van Y. Ichinotsubo,  
3 and Citadel Capital Management Group (“Defendants”) having entered a general  
4 appearance; consented to the Court’s jurisdiction over Defendants, and the subject  
5 matter of this action; consented to the entry of this Order of Permanent Injunction  
6 without admitting or denying the allegations of the Complaint (except as to  
7 jurisdiction; waived findings of fact and conclusions of law; and waived any right  
8 to appeal from this Order of Permanent Injunction:

9 **I.**

10 **IT IS ORDERED** that Defendants Wallenbrock, Osaki, Ichinotsubo and Citadel,  
11 their officers, agents, servants, employees, attorneys and those persons in active  
12 concert or participation with them who receive actual notice of this Order by personal  
13 service or otherwise, and each of them, be and hereby are, permanently restrained and  
14 enjoined from, directly or indirectly:

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

1 filed with the Commission as to such securities, or while the  
2 registration statement is the subject of a refusal or stop order or under  
3 any public proceeding or examination under Section 8 of the  
4 Securities Act [15 U.S.C. §77h];  
5 in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”)  
6 [15 U.S.C. §77e(a) and §77e(c)].

7 **II.**

8 **IT IS FURTHER ORDERED** that Defendants Wallenbrock, Osaki,  
9 Ichinotsubo and Citadel, their officers, agents, servants, employees, attorneys and  
10 those persons in active concert or participation with them who receive actual  
11 notice of this Order by personal service or otherwise, and each of them, be and  
12 hereby are, permanently restrained and enjoined from, directly or indirectly, in  
13 connection with the purchase or sale of securities, by the use of any means or  
14 instrumentality of interstate commerce or by the use of the mails, or of any facility  
15 of any national securities exchange:

- 16 1. employing any device, scheme or artifice to defraud;
  - 17 2. making any untrue statement of a material fact or omitting to state a  
18 material fact necessary in order to make the statements made, in the  
19 light of the circumstances under which they were made, not  
20 misleading; or
  - 21 3. engaging in any act, practice or course of business which operates or  
22 would operate as a fraud or deceit upon any person
- 23 in violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange  
24 Act”) [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R.  
25 240.10b-5].

26 **III.**

27 **IT IS FURTHER ORDERED** that Defendants Wallenbrock, Osaki,  
28 Ichinotsubo and Citadel, their officers, agents, servants, employees, attorneys and those

1 persons in active concert or participation with them who receive actual notice of this  
2 Order by personal service or otherwise, and each of them, be and hereby are,  
3 permanently restrained and enjoined from in the offer or sale of any securities, by the  
4 use of any means or instruments of transportation or communication in interstate  
5 commerce or by the use of the mails, directly or indirectly:

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

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

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

13 in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C.  
14 §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3)].

15 **IV.**

16 **IT IS FURTHER ORDERED** that Defendants Osaki, Ichinotsubo and Citadel,  
17 their officers, agents, servants, employees, attorneys and those persons in active  
18 concert or participation with them who receive actual notice of this Order by personal  
19 service or otherwise, and each of them, be and hereby are, permanently restrained and  
20 enjoined from, as a broker or dealer, directly or indirectly, making use of the mails or  
21 any means or instrumentality of interstate commerce to effect any transaction in, or to  
22 induce or attempt to induce the purchase or sale of, any security (other than  
23 commercial paper, bankers' acceptances, or commercial bills) without being registered  
24 in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)], in  
25 violation of Section 15(a)(1) of the Exchange Act.

26 **V.**

27 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that  
28 Defendants Osaki, Ichinotsubo and Citadel, their officers, agents, servants, employees,

1 attorneys and those persons in active concert or participation with them who receive  
2 actual notice of this Order by personal service or otherwise, and each of them, be and  
3 hereby are, permanently restrained and enjoined from, as a broker or dealer, directly or  
4 indirectly, making use of the mails or any means or instrumentality of interstate  
5 commerce to effect any transaction in, or to induce or attempt to induce the purchase  
6 or sale of, any security (other than commercial paper, bankers' acceptances, or  
7 commercial bills) otherwise than on a national securities exchange of which they are a  
8 member by means of any manipulative, deceptive or other fraudulent device or  
9 contrivance, including any practice or course of business which operates or would  
10 operate as a fraud or deceit upon any person, or any untrue statement of a material fact  
11 or any omission to state a material fact necessary in order to make the statement made,  
12 in the light of the circumstances under which it is made, not misleading, which  
13 statement or omission is made with knowledge or reasonable grounds to believe that it  
14 is untrue or misleading, in violation of Section 15(c)(1) of the Exchange Act [15 U.S.C.  
15 §78o(c)] and Rule 15c1-2 [17 C.F.R. §240.15c1-2] promulgated thereunder.

16 **VI.**

17 **IT IS FURTHER ORDERED** that upon further motion by either of the parties,  
18 this Court will determine the amounts of disgorgement, if any, plus prejudgment  
19 interest, and civil penalties, if any, pursuant to Sections 20(d) of the Securities Act, 15  
20 U.S.C. Section 77t(d) and 21(d)(3) of the Exchange Act, 15 U.S. C. Section 77u(d)(3),  
21 to be imposed against the Defendants as a result of the conduct alleged in the  
22 Commission's Complaint. Defendants will be precluded from admitting, denying or  
23 arguing that they did not violate the federal securities laws in the manner set out in the  
24 Commission's Complaint, but will not be precluded from presenting evidence as to  
25 whether and what amount of disgorgement, prejudgment interest and civil penalties  
26 are appropriate.

**VII.**

**IT IS FURTHER ORDERED** that the Commission is authorized to engage in continued discovery regarding any unresolved issue in this case with respect to the Defendants, which shall include, but not be limited to, discovery for the purposes of determining the amount of ill-gotten gains and civil penalties, if any.

**VIII.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein, enforcement of this Order of Permanent Injunction, and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

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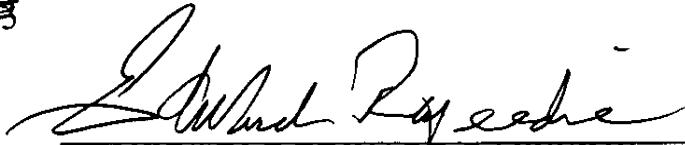
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IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order of Permanent Injunction against Defendants.

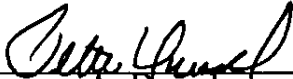
IT IS SO ORDERED.

DATED: FEB 28 2003

  
HONORABLE EDWARD RAFEEDIE  
UNITED STATES DISTRICT JUDGE  
CENTRAL DISTRICT OF CALIFORNIA

Presented by:

COUNSEL FOR PLAINTIFF:

  
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Jane E. Jarcho  
Peter B. Driscoll  
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CERTIFICATE OF SERVICE

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I, PETER B. DRISCOLL, declare:

That I am a citizen of the United States and resident or employed in Cook County, Illinois; that my business address is the U.S. Securities & Exchange Commission, 175 W. Jackson, Suite 900, Chicago, IL 60604; that I am over the age of 18;

That I am employed by the U.S. Securities & Exchange Commission, I am a member of the Bar of the United States District Court for the Northern District of Illinois, at whose discretion I served a copy of: CONSENT OF DEFENDANTS J.T. WALLENBROCK & ASSOCIATES, LARRY TOSHIO OSAKI, VAN Y. ICHINOTSUBO, AND CITADEL CAPITAL MANAGEMENT GROUP, INC.; AND [PROPOSED] ORDER OF PERMANENT INJUNCTION AGAINST DEFENDANTS.

Service was:

Placed in a closed envelope, for collection and interoffice delivery addressed as follows:

Placed in a sealed envelope for collection and mailing via United States Mail, addressed as follows:

By hand delivery addressed as follows:

By facsimile as follows:

By messenger as follows:

By Federal Express as follows: on \_\_\_\_\_, 2003

MR. BYRON Z. MOLDO, ESQ.  
REIN EVANS & SESTANOVICH, LLP  
1925 CENTURY PARK EAST, 16<sup>TH</sup> FLOOR  
LOS ANGELES, CA 90067

HUEY COTTON, ESQ.  
COZEN O'CONNOR  
777 S. FIGUEROA STREET, SUITE 2850  
LOS ANGELES, CA 90017

MR. JAMES H. DONELL  
JALMAR PROPERTIES, INC.  
12121 WILSHIRE BLVD., SUITE 200  
LOS ANGELES, CA 90025

This Certificate is executed on 2/24/03, at Los Angeles, California.

I certify under penalty of perjury that the foregoing is true and correct.

  
PETER B. DRISCOLL