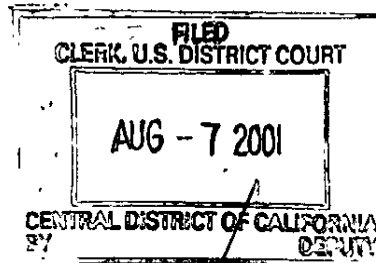
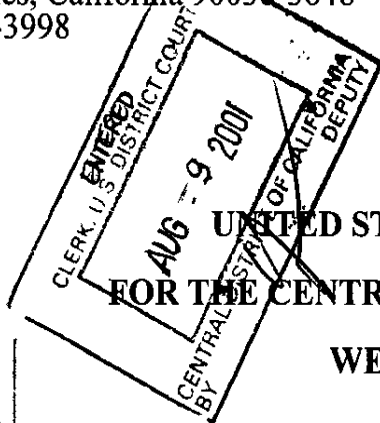


Sandra J. Harris, Cal. Bar # 134153
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Securities and Exchange Commission
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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

RICHARD I. BERGER and DONNA M.
RICHARDSON,

Defendants.

Case No. 00-10351 WJR (Mcx)

JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT DONNA M.
RICHARDSON

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Donna M. Richardson ("Richardson"), a Summons and Complaint in this matter and Richardson, having admitted service upon her of the Summons and Complaint in this action and the jurisdiction of this Court over her and over the subject matter of this action; having been fully advised and informed of her right to a judicial determination of this matter; having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to the entry of this Judgment of Permanent Injunction and Other Relief Against Defendant Donna M. Richardson ("Judgment"), without admitting or denying the allegations in the Complaint, except as specifically set forth in the Consent of Defendant Donna M. Richardson to Entry of Judgment

Docketed

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1 of Permanent Injunction and Other Relief ("Consent"); and it appearing that no notice of
2 hearing upon the entry of this Judgment being necessary; and the Court being fully advised in
3 the premises, and there being no just reason for delay:

4 I.

5 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Richardson and her
6 agents, servants, employees and attorneys, and all persons in active concert or participation
7 with any of them, who receive actual notice of this Judgment, by personal service or
8 otherwise, and each of them, are permanently restrained and enjoined from, directly or
9 indirectly, in the offer or sale, and in connection with the purchase or sale, of any security, by
10 the use of any means or 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 a material fact or omitting to state a material
14 fact necessary in order to make the statements made, in the light of the
15 circumstances under which they were made, not misleading; or

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

18 in violation of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §
19 77q] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C.
20 § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

21 II.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richardson and her
23 agents, servants, employees and attorneys, and all persons in active concert or participation
24 with any of them, who receive actual notice of this Judgment, by personal service or
25 otherwise, and each of them, are permanently restrained and enjoined from, directly or
26 indirectly, by the use of any means or instrumentality of interstate commerce or of the mails,
27 or of any facility of any national securities exchange:
28

1 causing the filing of a required periodic report with the Commission containing
2 any untrue statement of material fact or omitting to state a material fact required
3 to be stated or necessary in order to make the statements made, in light of the
4 circumstances under which they were made, not misleading;
5 in violation of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20,
6 13a-1, and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13.

7 III.

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richardson and her
9 agents, servants, employees and attorneys, and all persons in active concert or participation
10 with any of them, who receive actual notice of this Judgment, by personal service or
11 otherwise, and each of them, are permanently restrained and enjoined from, directly or
12 indirectly, by the use of any means or instrumentality of interstate commerce or of the mails,
13 or of any facility of any national securities exchange:

- 14 A. causing the failure to make and keep accurate books, records, and accounts
15 which, in reasonable detail, accurately and fairly reflect financial transactions
16 and disposition of assets;
- 17 B. directly, or indirectly, falsifying, or causing to be falsified books, records or
18 accounts subject to Section 13(b)(2)(A) of the Exchange Act;
- 19 C. directly or indirectly, making or causing to be made, or causing another person
20 to omit to state, a materially false or misleading statement, or omitting to state a
21 material fact in order to make statements made, in light of the circumstances
22 under which such statements were made, not misleading to an accountant in
23 connection with (1) an audit or examination of financial statements required to
24 be made pursuant to the Exchange Act regulations, or (2) the preparation or
25 filing of reports or documents required to be filed with the Commission
26 pursuant to Exchange Act regulations or otherwise;
- 27 in violation of Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), and Rules
28 13b2-1 and 13b2-2 thereunder, 17 C.F.R. §§ 240.13b2-1 and 240.13b2-2.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richardson and her agents, servants, employees and attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

causing the failure to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that financial statements are prepared in conformity with Generally Accepted Accounting Principles; in violation of Section 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(B).

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richardson and her agents, servants, employees and attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account; in violation of Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5).

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based upon a Statement of Financial Condition sworn to on March 7, 2001 (the "Financial Statement") which Richardson submitted to the Commission representing her financial condition and demonstrating that she is financially unable to pay a civil penalty, the Court is not ordering Richardson to pay a civil penalty. The determination that Richardson is unable to pay a civil

1 penalty is conditioned on the accuracy and completeness of the Financial Statement submitted
2 to the Commission. If, at any time following the entry of this Final Judgment, the Commission
3 obtains information indicating that, in statements made by Richardson to the Commission,
4 Richardson materially understated her assets or income or materially overstated her liabilities or
5 expenses, or that Richardson willfully omitted assets or income in any amount, the Commission
6 may petition the Court for a hearing to determine whether further sanctions are appropriate in
7 light of any understatement, overstatement, or willful omission. In connection with such
8 petition, the Commission may request the Court to order Richardson to pay civil penalties in
9 connection with the violations alleged in the Complaint. In its petition, the Commission also
10 may seek any additional remedies, or request further discovery. Richardson may not by way of
11 defense to that petition, contest the allegations in the Complaint or assert that no civil penalty is
12 appropriate for the violations alleged in the Complaint.

13 VII.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richardson shall
15 provide all documents in her possession, custody or control to the Commission and disclose
16 under oath all information with respect to her activities and the activities of others about
17 which the Commission or its staff may inquire or request. Such production of documents and
18 disclosure of information by Richardson shall be made upon reasonable notice in writing and
19 without the service of a subpoena and subject only to the good faith assertion of any
20 privileges recognizable pursuant to the provisions of Rule 501 of the Federal Rules of
21 Evidence or the United States Constitution and amendments thereto.

22 VIII.

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Richardson shall,
24 during the pendency of this action against any defendant, remain subject to the discovery
25 provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition,
26 agrees and undertakes that she will appear without the service of a subpoena to testify as a
27 witness at the trial of this action or at any related proceeding. Failure to comply with the
28

1 foregoing will subject Richardson to the sanctions set forth in Rule 37 of the Federal Rules of
2 Civil Procedure and all other available remedies.

3 IX.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of
5 the Consent filed concurrently with this Judgment are incorporated herein with the same force
6 and effect as if fully set forth herein and that Richardson shall comply with her Consent.

7 X.

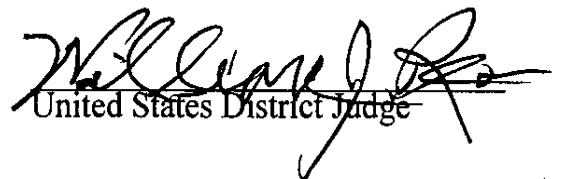
8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall
9 retain jurisdiction over this action for all purposes including to determine the liability of any
10 remaining defendants in this action, to implement, enforce, and carry out the terms of the
11 Judgment and all other orders and decrees which have been and may be entered herein, and to
12 grant such other relief as the Court may deem necessary and just.

13 * * * * *

14 There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to
15 Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Judgment forthwith.

16 IT IS SO ORDERED.

17 DATED this 7th day of Aug, 2001

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21 United States District Judge
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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 July 30, 2001, I served the foregoing document entitled **JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT DONNA M. RICHARDSON** 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: July 30, 2001


Brigitte Matthews

SERVICE LIST

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Attorneys for Defendant Ms. Donna Richardson