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CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION BY DEPUTY

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CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION
BY DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE)
COMMISSION,)
Plaintiff,)
v.)
JOHN C. WILLY, JR.,)
Defendants.)

Case No. EDCV 01-00979-
VAP(SGLx)
FINAL JUDGMENT

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

Pursuant to the Order filed on July 10, 2002,
Granting Plaintiff's Motion for Summary Judgment:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that
Defendant Willy and all persons bound by this Final
Judgment pursuant to Fed. R. Civ. P. 65(d), are
permanently restrained and enjoined from, directly or
indirectly, making use of any means or instruments of
transportation or communication in interstate commerce or
of the mails to sell, offer to sell or offer to buy any
security; or carrying or causing to be carried through

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1 the mails or in interstate commerce, by any means or
2 instruments of transportation, any security for the
3 purpose of sale or for delivery after sale, unless a
4 registration statement is in effect as to such security,
5 in violation of Sections 5(a) and 5(c) of the Securities
6 Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) &
7 77e(c).

8

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
10 Defendant Willy and all persons bound by this Final
11 Judgment pursuant to Fed. R. Civ. P. 65(d), are
12 permanently restrained and enjoined from, in the offer or
13 sale of any securities by the use of any means or
14 instruments of transportation or communication in
15 interstate commerce or by the use of the mails, directly
16 or indirectly:

- 17 A. employing any device, scheme or artifice to
18 defraud;
- 19 B. obtaining money or property by means of any
20 untrue statement of a material fact or any
21 omission to state a material fact necessary in
22 order to make the statements made, in the light
23 of the circumstances under which they were made,
24 not misleading; or
- 25 C. engaging in any transaction, practice, or course
26 of business which operates or would operate as a
27 fraud or deceit upon the purchaser;

28

1 in violation of Section 17(a) of the Securities Act, 15
2 U.S.C. § 77q(a).

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4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
5 Defendant Willy and all persons bound by this Final
6 Judgment pursuant to Fed. R. Civ. P. 65(d), are
7 permanently restrained and enjoined from, directly or
8 indirectly, by the use of any means or instrumentality of
9 interstate commerce, or of the mails, or of any facility
10 of any national securities exchange, in connection with
11 the purchase or sale of any security:

- 12 A. employing any device, scheme, or artifice to
13 defraud;
- 14 B. making any untrue statement of a material fact or
15 omitting to state a material fact necessary in
16 order to make the statements made, in the light
17 of the circumstances under which they were made,
18 not misleading; or
- 19 C. engaging in any act, practice, or course of
20 business which operates or would operate as a
21 fraud or deceit upon any person;

22 in violation of Section 10(b) of the Securities Exchange
23 Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and
24 Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

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28 //

1 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
2 judgment shall be entered against Defendant Willy in the
3 amount of \$2,403,634.35, representing his ill-gotten
4 gains (\$2,095,000), together with prejudgment interest
5 (\$308,634.35).

6
7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
8 Defendant Willy is assessed a third tier civil penalty in
9 the amount of \$2,095,000, pursuant to Section 20(d) of
10 the Securities Act, 15 U.S.C. § 77t(d), and Section
11 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).

12
13 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
14 Court shall retain jurisdiction over this action for all
15 purposes, including to implement and enforce the terms of
16 this Final Judgment and all other orders and decrees
17 which may be entered in this case, and to grant such
18 other relief as this Court may deem necessary and just.

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Dated: July 14, 2002

Virginia A. Phillips
VIRGINIA A. PHILLIPS
United States District Judge