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**FILED**  
**JUL 29 2002**  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION AT SANTA ANA  
BY *JB* DEPUTY

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

SECURITIES AND EXCHANGE  
COMMISSION,  
Plaintiff,  
v.  
HITSGALORE.COM, INC., STEPHEN  
J. BRADFORD, LIFE FOUNDATION  
TRUST AND JEANETTE B.  
WILCHER,  
Defendants.

PH 2:26  
U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA  
2002

Case No. SACV 01-1133 GLT (ANx)

**[PROPOSED] FINAL JUDGMENT  
OF PERMANENT INJUNCTION  
AND OTHER RELIEF AGAINST  
DEFENDANTS LIFE  
FOUNDATION TRUST AND  
JEANETTE B. WILCHER**

LOGGED

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

**ENTERED**  
**JUL 30 2002**  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA OFFICE  
BY *JB* DEPUTY

ENTER ON ICMS  
**JUL 30 2002**

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

1 The motion of Plaintiff Securities and Exchange Commission  
2 (“Commission”) for summary judgment against defendants Life Foundation Trust  
3 (“Life Foundation”) and Jeanette B. Wilcher (“Wilcher”) came on for hearing before  
4 this Court. This Court, having granted summary judgment in favor of the  
5 Commission and against Defendants Life Foundation and Wilcher, enters this Final  
6 Judgment of Permanent Injunction And Other Relief (“Final Judgment”).

7 **I.**

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

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

16 B. making any untrue statement of a material fact or omitting to state a  
17 material fact necessary in order to make the statements made, in the  
18 light of the circumstances under which they were made, not  
19 misleading; or

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

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

24 **II.**

25 IT IS FURTHER ORDERED, ADJUDGED & DECREED that Life  
26 Foundation and its officers, agents, servants, employees, attorneys, and all persons  
27 in active concert or participation with any of them, who receive actual notice of this  
28 Final Judgment, by personal service or otherwise, and each of them, are

1 permanently restrained and enjoined from, directly or indirectly:

2       A. making use of any means or instruments of transportation or  
3       communication in interstate commerce or of the mails to sell the  
4       securities of any issuer, through the use or medium of any prospectus  
5       or otherwise, unless and until a registration statement is in effect as to  
6       such securities;

7       B. carrying or causing to be carried through the mails or in interstate  
8       commerce, by any means or instruments of transportation, for the  
9       purpose of sale or for delivery after sale, the securities of any issuer,  
10      unless and until a registration statement is in effect as to such  
11      securities; and

12      C. making use of any means or instruments of transportation or  
13      communication in interstate commerce or of the mails to offer to sell or  
14      offer to buy, through the use or medium of any prospectus or otherwise,  
15      the securities of any issuer, unless and until a registration statement has  
16      been filed with the Commission as to such securities, or while a  
17      registration statement has been filed with the Commission as to such  
18      securities, or while a registration statement as to such securities is the  
19      subject of a refusal order or stop order or (prior to the effective date of  
20      the registration statement) any public proceeding or examination under  
21      Section 8 of the Securities Act, 15 U.S.C. § 77h;

22 in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) &  
23 77e(c); provided, however, that nothing in this Final Judgment shall apply to any  
24 security or transaction which is exempt from the provisions of Section 5 of the  
25 Securities Act, 15 U.S.C. § 77e.

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**III.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Wilcher is assessed, and shall pay to the Commission for delivery to the United States Treasury, a civil penalty in the amount of \$110,000 pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. § 78(u)(d)(3). Wilcher shall pay the penalty within thirty days of the entry of this Order. Payment shall be made by cashier's check, certified check or postal money order made payable to the Securities and Exchange Commission, and shall be transmitted to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312, under cover of a letter that identifies the defendant, the name and case number of this litigation and the name of the Court. A copy of the letter and the check or money order shall be simultaneously transmitted to counsel for the Commission at its Los Angeles office located at 5670 Wilshire Boulevard, 11<sup>th</sup> Floor, Los Angeles, CA 90036.

**IV.**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Life Foundation is assessed, and shall pay to the Commission for delivery to the United States Treasury, a civil penalty in the amount of \$1,024,418.50 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78(u)(d)(3). Life Foundation shall pay the penalty within thirty days of the entry of this Order. Payment shall be made by cashier's check, certified check or postal money order made payable to the Securities and Exchange Commission, and shall be transmitted to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312, under cover of a letter that identifies the defendant, the name and case number of this litigation and the name of the Court. A copy of the letter and the check or money order shall be simultaneously transmitted to counsel for the Commission at its Los Angeles office located at 5670 Wilshire Boulevard,

1 11<sup>th</sup> Floor, Los Angeles, CA 90036.

2 V.

3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendants  
4 Life Foundation and Wilcher shall jointly and severally pay disgorgement in the  
5 amount of \$1,024,418.50 representing the ill-gotten gains from the conduct alleged  
6 in the Complaint, plus prejudgment interest thereon in the amount of \$167,005.41,  
7 calculated pursuant to 28 U.S.C. § 1961, within thirty days of entry of this Final  
8 Judgment. The payment shall be made by cashier's check, certified check or postal  
9 money order made payable to the Securities and Exchange Commission and shall be  
10 transmitted to the Comptroller, Securities and Exchange Commission, Operations  
11 Center, 6432 General Green Way, Stop O-3, Alexandria, Virginia, 22312, under  
12 cover of a letter that identifies the defendants, the name and case number of this  
13 litigation and the name of the court. A copy of the cover letter and the check or  
14 money order shall be simultaneously transmitted to counsel for the Commission at  
15 its Los Angeles office, located at 5670 Wilshire Boulevard, 11th Floor, Los  
16 Angeles, California 90036.

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VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including to implement, enforce, and carry out the terms of this Final Judgment and all orders and decrees which have been entered or may be entered herein, and to grant such other relief as the Court may deem necessary and just.

\* \* \*


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.

**IT IS SO ORDERED, ADJUDGED, AND DECREED.**

Dated: July 29, 2002

  
HONORABLE GARY L. TAYLOR  
UNITED STATES DISTRICT JUDGE

Presented by:

  
Nicolas Morgan  
Attorney for Plaintiff  
Securities and Exchange Commission

**PROOF OF SERVICE**

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

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11<sup>th</sup> Floor, Los Angeles, California 90036.

Telephone: (323) 965-3998 Fax: (323) 965-3908

On July 1, 2002, I served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANTS LIFE FOUNDATION TRUST AND JEANETTE B. WILCHER** upon the 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 caused to be 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. The transmission was reported as complete and without error.

**(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. I declare under penalty of perjury that the foregoing is true and correct.

Date: July 1, 2002

Magnolia M. Marcelo  
MAGNOLIA M. MARCELO

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**SEC v. HITSGALORE.COM, INC., et al.**  
**United States District Court - Central District of California**  
**Southern Division**  
**Case No. SACV 01-1133 GLT (ANx)**  
**(LA-1014)**

SERVICE LIST

Jeanette B. Wilcher  
Life Foundation Trust  
7345 East Acoma Drive, Suite 101  
Scottsdale, AZ 85260