

ORIGINAL

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CENTRAL DISTRICT OF CALIFORNIA
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6 Local Counsel:
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8 Securities and Exchange Commission
9 5670 Wilshire Boulevard, 11th Floor
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11 UNITED STATES DISTRICT COURT
12 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13
14 SECURITIES AND EXCHANGE
15 COMMISSION,

16 *Plaintiff,*

17 vs.

18
19 DONALD D. LUKENS, individually and
20 doing business as COMMUNITY GROUP
21 FUNDING and GLOBAL SPORTS
22 & ENTERTAINMENT; J.C. INC.;
23 and JAMES CARTER ALLISON,
24 individually and doing business as
25 SELECT ASSETS

26 *Defendants.*

No. 01-09410SVW(AJWx)

FINAL JUDGMENT
AS TO DEFENDANT
DONALD D. LUKENS

ENTERED ON ICMS
2002
CV

26 Plaintiff Securities and Exchange Commission ("Commission"), having
27 commenced this action by filing its Complaint for injunctive and other relief ("the
28

41

1 Complaint”), and defendant Donald D. Lukens (“Lukens”), in his Consent and
2 Undertakings (“Consent”), filed herewith, having entered a general appearance,
3 having admitted to the jurisdiction of the Court over him and the subject matter of
4 this action, and, solely for the purpose of this action, without admitting or denying
5 the allegations of the Complaint (except as to personal and subject matter
6 jurisdiction, which he admits), having consented to the entry of this Final
7 Judgment as to Donald D. Lukens (“Final Judgment”), having waived any right to
8 appeal from this Final Judgment, and it further appearing that this Court has
9 jurisdiction over Lukens and the subject matter hereof, and the Court being fully
10 advised in the premises, **IT IS HEREBY:**
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15 **I.**

16 **ORDERED, ADJUDGED AND DECREED** that Lukens, his agents,
17 servants, employees, attorneys-in-fact, successors-in-interest, and assigns, and all
18 those persons in active concert or participation, who receive actual notice of this
19 Judgment by personal service or otherwise, and each of them, are permanently
20 enjoined from, directly or indirectly, in connection with the purchase or sale of any
21 security, by the use of any means or instrumentality of interstate commerce, or of
22 the mails, or of any facility of any national securities exchange:
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- 25 (1) employing any device, scheme, or artifice to defraud;
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1 (2) making any untrue statement of a material fact or omitting to state a
2 material fact necessary in order to make the statements made, in the
3 light of the circumstances under which they were made, not
4 misleading; or
5

6 (3) engaging in any act, practice, or course of business which operates or
7 would operate as a fraud or deceit upon any person;
8

9 in violation of Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. §
10 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.
11

12 **II.**

13 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that

14 Lukens, his agents, servants, employees, attorneys-in-fact, successors-in-interest,
15 and assigns, and all those persons in active concert or participation, be and hereby
16 are permanently enjoined from, directly or indirectly, in connection with the offer
17 or sale of any security, by the use of any means or instruments of transportation or
18 communication in interstate commerce or by the use of the mails:
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21 (1) employing any device, scheme, or artifice to defraud;
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23 (2) obtaining money or property by means of any untrue statement of a
24 material fact, or omitting to state a material fact necessary in order to
25 make the statements made, in light of the circumstances under which
26 they were made, not misleading; or
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1 (3) engaging in any transaction, practice, or course of business, which
2 operates or would operate as a fraud or deceit upon the purchaser;
3
4 in violation of Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)].

5 **III.**

6 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that

7
8 Lukens, his agents, servants, employees, attorneys-in-fact, successors-in-interest,
9 and assigns, and all those persons in active concert or participation, be and hereby
10 are permanently enjoined from using any means or instrumentality of interstate
11 commerce, directly or indirectly:
12

13 (1) to employ any device, scheme, or artifice to defraud any client or
14 prospective client; or

15
16 (2) to engage in any transaction, practice, or course of business which
17 operates as a fraud or deceit upon any client or prospective client

18
19 in violation of Sections 206(1) and (2) of the Investment Advisers Act of 1940 [15
20 U.S.C. §§ 80b-6(1) and (2)].

21 **IV.**

22 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that

23
24 Lukens, his agents, servants, employees, attorneys-in-fact, successors-in-interest,
25 and assigns, and all those persons in active concert or participation, be and hereby
26 are permanently enjoined, as a broker or dealer, from using any means or
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1 instrumentality of interstate commerce to effect any transaction in, or to induce or
2 attempt to induce the purchase or sale of any security by means of any
3
4 manipulative, deceptive, or other fraudulent device or contrivance, in violation of
5 Section 15(c)(1) of the Exchange Act. [15 U.S. C. § 78o(c)(1)] and Rule 15c1-2
6
7 thereunder [17 C.F.R. §§ 240.15c1-2].

8 **V.**

9 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that

10
11 Lukens his agents, servants, employees, attorneys-in-fact, successors-in-interest,
12 and assigns, and all those persons in active concert or participation, be and hereby
13 are permanently enjoined from making use of the mails or any means or
14
15 instrumentality of interstate commerce to effect any transactions in, or to induce or
16 attempt to induce the purchase or sale of any security unless registered as a broker-
17 dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].
18

19 **VI.**

20 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that

21 Lukens shall:

- 22
23 A. pay \$3,266,000 representing disgorgement and pay prejudgment
24 interest thereon in the amount of \$1,374,000; and
25
26 B. pay a civil penalty in the amount of \$110,000 pursuant to Section
27 21(d)(3) of the Exchange Act (15 U.S.C. §78u(d)(3)).
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VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that

Lukens shall pay his disgorgement and prejudgment interest obligations by sending a cashier's check, certified check or postal money order, made payable to "Securities and Exchange Commission," to: Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312. The check or money order should bear on its face the caption and case number of this action and the name of this Court. Lukens shall contemporaneously notify the Commission of any payment by sending a copy of the check or money order to: (1) Mark Kreitman, Assistant Chief Litigation Counsel, 450 Fifth Street, N.W, Washington, D.C. 20549-0911, and (2) Sherry Stephen, Office of the Secretary, 450 Fifth Street, N.W., Washington, D.C. 20549-0609.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that

Lukens shall pay a civil penalty in the amount of \$110,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 77u(d)(3)] by delivering a postal money order, certified check or bank cashier's check, made payable to "Securities and Exchange Commission," to: Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria,

1 Virginia 22312. The check or money order shall bear on its face the caption and
2 case number of this action and the name of this Court. Lukens shall
3
4 contemporaneously send a copy of the check or money order to: (1) Mark
5 Kreitman, Assistant Chief Litigation Counsel, 450 Fifth Street, N.W, Washington,
6 D.C. 20549-0911, and (2) Sherry Stephen, Office of the Secretary, 450 Fifth
7 Street, N.W, Washington, D.C. 20549-0609.
8

9 **IX.**


10 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that
11

12 Lukens shall comply with the annexed Consent, which is incorporated herein, with
13 the same force as if fully set forth in this Final Judgment.
14

15 **X.**

16 There being no just reason for delay, the Clerk of the Court is hereby
17 directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter
18 this Final Judgment forthwith.
19

20
21 **SO ORDERED**

22
23 
24 UNITED STATES DISTRICT JUDGE

25 Dated: September 10, 2002
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27
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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:

Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0706. Telephone: (202) 942-4813; Fax: (202) 942-9668

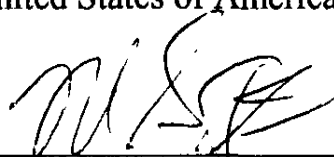
On September 3, 2002, I served the following document: **Final Judgment as to Defendant Donald D. Lukens** upon the parties to this action as stated on the attached service list by:

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 agency'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.

X **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 Washington, D.C.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Date: September 3, 2002



Michael S. Fuchs

1 **SEC v. DONALD V. LUKENS, et al.**
2 **United States District Court – Central District of California**
3 **Case No. CV 01-09410 SVW (AJWx)**

4
5 **SERVICE LIST**

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10 James C. Allison
11 6625 FM 608
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