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CENTRAL DISTRICT OF CALIFORNIA  
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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

GREGORY A. HINKSON,

Defendant.

Case No. **02-5576** DT  
[PROPOSED] FINAL  
JUDGMENT OF PERMANENT  
INJUNCTION AND OTHER  
RELIEF AGAINST DEFENDANT  
GREGORY A. HINKSON AJWx

Plaintiff Securities and Exchange Commission ("Commission"),  
having filed and served upon Defendant Gregory A. Hinkson ("Hinkson") a  
Summons and Complaint in this action; Hinkson having admitted service  
upon him of the Summons and Complaint in this action and the jurisdiction  
of this Court over him and over the subject matter of this action; having  
been fully advised and informed of his 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 Final Judgment Of Permanent Injunction And  
Other Relief Against Defendant Gregory A. Hinkson ("Final Judgment"),  
without admitting or denying the allegations in the Complaint, except as

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1 specifically set forth in the Consent Of Defendant Gregory A. Hinkson To  
2 Entry Of Final Judgment Of Permanent Injunction And Other Relief  
3 ("Consent"); and no notice of hearing upon the entry of this Final Judgment  
4 being necessary:

5 I.

6 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that  
7 Defendant Hinkson and his agents, servants, employees and attorneys,  
8 and all persons in active concert or participation with any of them who  
9 receive actual notice of this Final Judgment by personal service or  
10 otherwise, and each of them, are permanently restrained and enjoined  
11 from, in the offer or sale of any securities by the use of any means or  
12 instruments of transportation or communication in interstate commerce or  
13 by use of the mails, directly or indirectly:

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

22 in violation of Section 17(a) of the Securities Act of 1933 ("Securities Act"),  
23 15 U.S.C. § 77q(a).

24 II.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
26 Hinkson and his agents, servants, employees and attorneys, and all  
27 persons in active concert or participation with any of them who receive  
28 actual notice of this Final Judgment by personal service or otherwise, and

1 each of them, are permanently restrained and enjoined from, directly or  
2 indirectly, by the use of any means or instrumentality of interstate  
3 commerce, or of the mails, or of any facility of any national securities  
4 exchange, in connection with the purchase or sale of any security:

- 5 A. employing any device, scheme, or artifice to defraud;  
6 B. making any untrue statement of a material fact or omitting to  
7 state a material fact necessary in order to make the statements  
8 made, in the light of the circumstances under which they were  
9 made, not misleading; or  
10 C. engaging in any act, practice, or course of business which  
11 operates or would operate as a fraud or deceit upon any  
12 person;

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

16 III.

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
18 Defendant Hinkson shall pay disgorgement in the amount of \$337,372,  
19 together with prejudgment interest thereon in the amount of \$43,696.54, for  
20 a total of \$381,068.54.

21 IV.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
23 Defendant Hinkson is assessed, and shall pay to the Commission for  
24 delivery to the United States Treasury, a civil penalty in the amount of  
25 \$337,372 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §  
26 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3).  
27 Hinkson shall pay the disgorgement, prejudgment interest, and civil penalty  
28 within thirty days of the entry of this Final Judgment. Payment shall be

1 made by cashier's check, certified check or postal money order made  
2 payable to the Securities and Exchange Commission, and shall be  
3 transmitted to the Comptroller, Securities and Exchange Commission,  
4 Operations Center, 6432 General Green Way, Stop 0-3, Alexandria,  
5 Virginia 22312, under cover of a letter that identifies the defendant, the  
6 name and case number of this litigation and the name of the court. A copy  
7 of the cover letter and the check or money order shall be simultaneously  
8 transmitted to counsel for the Commission at its Los Angeles office,  
9 located at 5670 Wilshire Boulevard, 11<sup>th</sup> Floor, Los Angeles, California  
10 90036.

11 **V.**

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the  
13 provisions of the Consent filed concurrently with this Final Judgment are  
14 incorporated herein with the same force and effect as if fully set forth  
15 herein, and that Hinkson shall comply with his Consent.

16 **VI.**

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

22 \* \* \* \* \*

23 There being no just reason for delay, the Clerk of the Court is  
24 directed, pursuant to Fed. R. Civ. P. 54(b), to enter this Final Judgment.

25  
26 DATED: JUL 19 2002

27 **DICKRAN TEVRIZIAN**  
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UNITED STATES DISTRICT JUDGE