

**FILED**

FEB 21 2003

CLERK U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

**ORIGINAL  
LODGED**

FEB 18 2003

CLERK U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION**

**SECURITIES AND EXCHANGE  
COMMISSION,**

Plaintiff,

vs.

**MOLLER INTERNATIONAL, INC., and,  
PAUL S. MOLLER**

Defendants.

**CIV.S- 03 • 0261 WBS DAD**

Case No.

**FINAL JUDGMENT OF PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF AGAINST  
MOLLER INTERNATIONAL, INC.**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its *Complaint* in this matter and defendant Moller International, Inc. ("Defendant") through its *Stipulation and Consent of Moller International, Inc. ("Consent")*, having admitted service of the *Complaint* and having waived service of the summons; having admitted the jurisdiction of this Court over it, and over the subject matter of this action; having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having entered into its *Consent* voluntarily; having consented, without admitting or denying any of the allegations in the Commission's *Complaint* except as to jurisdiction as set forth above, to entry without further notice of this *Final Judgment of Permanent Injunction and Other Equitable Relief Against Moller*

6

1 *International, Inc. ("Final Judgment")* enjoining Defendant from engaging in transactions, acts,  
2 practices and courses of business which constitute and would constitute violations of Sections 5(a),  
3 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), [15 U.S.C. §§ 77e(a), 77e(c),  
4 and 77q(a)]; and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), [15  
5 U.S.C. § 78j(b)], and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and it further appearing that  
6 this Court has jurisdiction over Defendant and over the subject matter of this action and that no  
7 further notice of hearing for the entry of this *Final Judgment* need be given; and the Court being  
8 fully advised in the premises:

9 I.

10 IT IS ORDERED, ADJUDGED AND DECREED that Defendant, its agents, servants,  
11 employees, attorneys-in-fact and all other persons in active concert or participation with it who  
12 receive actual notice of this *Final Judgment* by personal service or otherwise, be and hereby are  
13 permanently restrained and enjoined, directly or indirectly, in connection with the purchase or  
14 sale of any security, from making use of any means or instrumentalities of interstate commerce  
15 or of the mails, or of any facility of any national securities exchange:

16 (a) to employ any device, scheme or artifice to defraud;

17 (b) to make any untrue statement of a material fact or omit to state a material  
18 fact necessary in order to make the statements made, in the light of the circumstances  
19 under which they were made, not misleading; or

20 (c) to engage in any act, practice or course of business which operates or  
21 would operate as a fraud or deceit upon any person.

1 **II.**

2 IT IS ORDERED, ADJUDGED AND DECREED that Defendant, its agents, servants,  
3 employees, attorneys-in-fact and all other persons in active concert or participation with it who  
4 receive actual notice of this *Final Judgment* by personal service or otherwise, and each of them,  
5 be and hereby are permanently restrained and enjoined, in the offer or sale of any security, from  
6 making use of any means or instruments of transportation or communication in interstate  
7 commerce, or of the mails, directly or indirectly:

8 (a) to employ any device, scheme or artifice to defraud;

9 (b) to obtain money or property by means of any untrue statement of a  
10 material fact or any omission to state a material fact necessary in order to make the  
11 statements made, in the light of the circumstances under which they were made, not  
12 misleading; or

13 (c) to engage in any transaction, practice or course of business which operates  
14 or would operate as a fraud or deceit upon any purchaser.

15 **III.**

16 IT IS ORDERED, ADJUDGED AND DECREED that Defendant, its agents, servants,  
17 employees, attorneys-in-fact and all persons in active concert or participation with it, who  
18 receive actual notice of this *Final Judgment* by personal service or otherwise, are permanently  
19 restrained and enjoined in the offer or sale of any security, from directly or indirectly:

20 (a) making use of any means or instruments of transportation or  
21 communication in interstate commerce or of the mails to sell any securities, through the  
22 use or medium of any prospectus or otherwise, unless and until a registration statement is  
23 in effect with the Commission as to such securities;

1 (b) carrying securities, or causing them to be carried through the mails or in  
2 interstate commerce, by any means or instruments of transportation, for the purpose of  
3 sale or delivery after sale, unless and until a registration statement is in effect with the  
4 Commission as to such securities; or

5 (c) making use of any means or instruments of transportation or  
6 communication in interstate commerce or of the mails to offer to sell or offer to buy,  
7 through the use or medium of any prospectus or otherwise, securities, unless a  
8 registration statement has been filed with the Commission as to such securities, or while a  
9 registration statement filed with the Commission as to such securities is the subject of a  
10 refusal order or stop order or (prior to the effective date of the registration statement) any  
11 public proceeding of examination under Section 8 of the Securities Act of 1933  
12 (“Securities Act”), as amended [15 U.S.C. § 77h]; provided, however, that nothing in this  
13 Part III shall apply to any security or transaction which is exempt from the provisions of  
14 Section 5 of the Securities Act, as amended [15 U.S.C. § 77e].

15 VI.

16 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the *Consent* filed herein  
17 be, and the same is hereby, incorporated in this *Final Judgment* with the same force and effect as if  
18 fully set forth herein.

19 V.

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain  
21 jurisdiction of this action for all purposes, including for purposes of entertaining any suitable  
22 application or motion by the Commission for additional relief within the jurisdiction of this Court,  
23 including but not limited to the relief requested by the Commission in its *Complaint* in this action.  
24

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this *Final Judgment* may be served upon Defendant in person or by mail either by the United States marshal, by the Clerk of the Court or by any member of the staff of the Commission.

VI.

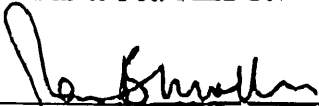
There being no just reason for delay, the Clerk of this Court is hereby directed to enter this *Final Judgment* against Defendant pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 19<sup>th</sup> day of February, 2003.



UNITED STATES DISTRICT JUDGE

Agreed as to Form and Content



PAUL S. MOLLER  
CEO, President  
Moller International, Inc.

Approved for Entry



CRAIG G. CHRISTENSEN  
Christensen Law Group, PC  
Douglas Corporate Center  
3017 Douglas Blvd., Ste. 300  
Roseville, CA 95661  
Attorney for Paul S. Moller

United States District Court  
for the  
Eastern District of California  
February 21, 2003

\* \* CERTIFICATE OF SERVICE \* \*

2:03-cv-00261

SEC

v.

Moller International

---

I, the undersigned, hereby certify that I am an employee in the Office of the Clerk, U.S. District Court, Eastern District of California.


That on February 21, 2003, I SERVED a true and correct copy(ies) of the attached, by placing said copy(ies) in a postage paid envelope addressed to the person(s) hereinafter listed, by depositing said envelope in the U.S. Mail, by placing said copy(ies) into an inter-office delivery receptacle located in the Clerk's office, or, pursuant to prior authorization by counsel, via facsimile.

Marshall Gandy  
PRO HAC VICE  
US Securities and Exchange Commission  
Burnett Plaza Suite 1900  
801 Cherry Street  
Unit 18  
Fort Worth, TX 76102-6882

SH/WBS

Craig G Christensen  
Christensen Law Group  
Douglas Corporate Center  
3017 Douglas Boulevard  
Suite 300  
Roseville, CA 95661

Jack L. Wagner, Clerk

BY:   
Deputy Clerk