

1 KAREN MATTESON, Cal. Bar No. 102103
2 KELLY BOWERS, Cal. Bar No. 164007
3 MARTIN J. MURPHY, Cal. Bar No. 130693
4 ADAM SCHNEIR, Cal. Bar No. 169265

Send
ENTER
NO 356

5 Attorneys for Plaintiff
6 Securities and Exchange Commission
7 Randall R. Lee, Regional Director
8 Sandra J. Harris, Associate Regional Director
9 5670 Wilshire Boulevard, 11th Floor
10 Los Angeles, California 90036-3648
11 Telephone: (323) 965-3998
12 Facsimile: (323) 965-3908

FILED
CLERK, U.S. DISTRICT COURT
APR 23 2003
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

13 UNITED STATES DISTRICT COURT
14 FOR THE CENTRAL DISTRICT OF CALIFORNIA
15 WESTERN DIVISION

16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,

19 vs.

20 JOHN C. BOHAN, et al.,

21 Defendants.

22 Case No. ^{CV} 03-2834 (INDEX)

23 FINAL JUDGMENT OF
24 PERMANENT INJUNCTION AND
25 OTHER RELIEF AGAINST
26 CHANTEL J. LOO

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

18 Plaintiff Securities and Exchange Commission ("Commission"), having
19 filed and served upon Defendant Chantel J. Loo ("Loo") a Summons and
20 Complaint in this action; Loo having admitted service upon her of the Summons
21 and Complaint in this action and the jurisdiction of this Court over her and over
22 the subject matter of this action; having been fully advised and informed of her
23 right to a judicial determination of this matter; having waived the entry of findings
24 of fact and conclusions of law as provided by Rule 52 of the Federal Rules of
25 Civil Procedure; having consented to the entry of this Final Judgment Of
26 Permanent Injunction And Other Relief Against Chantel J. Loo ("Final
27 Judgment") without admitting or denying the allegations in the Complaint, except
28 as specifically set forth in the Consent Of Chantel J. Loo To Entry Of Final Judgment

ENTERED
CLERK, U.S. DISTRICT COURT
4-24-03
APR 24 2003
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

FILED
APR 23 2003
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

1 Judgment Of Permanent Injunction And Other Relief (“Consent”); no notice of
2 hearing upon the entry of this Final Judgment being necessary; and this Court
3 being fully advised:

4 **I.**

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

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

13 B. obtaining money or property by means of any untrue statement of a
14 material fact or any omission to state a material fact necessary in
15 order to make the statements made, in light of the circumstances
16 under which they were made, not misleading; or

17 C. engaging in any transaction, practice, or course of business which
18 operates or would operate as a fraud or deceit upon the purchaser;

19 in violation of Section 17(a) of the Securities Act of 1933 (“Securities Act”), 15
20 U.S.C. § 77q(a).

21 **II.**

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Loo and
23 her agents, servants, employees and attorneys, and all persons in active concert or
24 participation with any of them who receive actual notice of this Final Judgment by
25 personal service or otherwise, and each of them, are permanently restrained and
26 enjoined from, directly or indirectly, in connection with the purchase or sale of any
27 security, by the use of any means or instrumentality of interstate commerce, or of
28 the mails, or of any facility of any national securities exchange:

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

2 B. making any untrue statement of a material fact or omitting to state a
3 material fact necessary in order to make the statements made, in the
4 light of the circumstances under which they were made, not
5 misleading; or

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

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

10 **III.**

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Loo and
12 her agents, servants, employees and attorneys, and all persons in active concert or
13 participation with any of them who receive actual notice of this Final Judgment by
14 personal service or otherwise, and each of them, are permanently restrained and
15 enjoined from filing, or causing to be filed, annual reports with the Commission
16 on Forms 10-K and quarterly reports with the Commission on Forms 10-Q that fail
17 to contain material information necessary to make the required statements in the
18 Forms 10-K or 10-Q, in light of the circumstances under which they are made, not
19 misleading, in violation of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a),
20 and Rules 12b-20, 13a-1 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240-
21 13a-1 & 240.13a-13.

22 **IV.**

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Loo and
24 her agents, servants, employees and attorneys, and all persons in active concert or
25 participation with any of them who receive actual notice of this Final Judgment by
26 personal service or otherwise, and each of them, are permanently restrained and
27 enjoined from knowingly circumventing or knowingly failing to implement a
28 system of internal accounting controls or falsifying any book, record or account

1 required to be kept by an issuer, in violation of Section 13(b)(5) of the Exchange
2 Act, 15 U.S.C. § 78m(b)(5), and Rule 13b2-1 thereunder, 17 C.F.R. § 240.13b2-1.

3 V.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Loo and
5 her agents, servants, employees and attorneys, and all persons in active concert or
6 participation with any of them who receive actual notice of this Final Judgment by
7 personal service or otherwise, and each of them, are permanently restrained and
8 enjoined from, directly or indirectly, while an officer or director of an issuer:

9 A. making or causing to be made a materially false or misleading
10 statement; or

11 B. omitting to state, or causing another person to omit to state, any
12 material fact necessary in order to make statements made, in light of
13 the circumstances under which such statements were made, not
14 misleading;

15 to an accountant in connection with:

- 16 1. an audit or examination of the financial statements of the issuer
17 required to be made, or
18 2. the preparation or filing of any document or report required to
19 be filed with the Commission;

20 in violation of Exchange Act Rule 13b2-2, 17 C.F.R. § 240.13b2-2.

21 VI.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Loo pay
23 disgorgement in the amount of \$20,933.49, plus prejudgment interest calculated
24 pursuant to 28 U.S.C. § 1961. Based upon Loo's sworn representations in her
25 Statement Of Financial Condition dated January 14, 2003, and submitted to the
26 Commission, payment of all but \$7,500 of the disgorgement and interest is
27 waived. Additionally based upon Loo's sworn representations in her Statement Of
28 Financial Condition, this Court is not ordering Loo to pay a civil penalty pursuant

1 to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), or Section 21(d)(3) of
2 the Exchange Act, 15 U.S.C. § 78u(d)(3). The partial waiver of disgorgement and
3 interest and determination not to assess a civil penalty are contingent upon the
4 accuracy and completeness of Loo's Statement Of Financial Condition. If at any
5 time following the entry of this Final Judgment the Commission obtains
6 information indicating that Loo's representations to the Commission concerning
7 her assets, income, liabilities or net worth were fraudulent, misleading, inaccurate
8 or incomplete in any material respect as of the time such representations were
9 made, the Commission may, at its sole discretion and without prior notice to Loo,
10 petition this Court for an order modifying this Final Judgment to require payment
11 of additional disgorgement and prejudgment and postjudgment interest on all
12 disgorgement ordered, and the maximum civil penalty allowable under the law. In
13 connection with any such petition, the only issue shall be whether the financial
14 information provided by Loo was fraudulent, misleading, inaccurate or incomplete
15 in any material respect as of the time such representations were made. In its
16 petition, the Commission may move this Court to consider all available remedies,
17 including, but not limited to, ordering Loo to disgorge funds or assets, or sanctions
18 for contempt of this Final Judgment. The Commission may also request additional
19 discovery. Loo may not, by way of defense to such petition: (1) challenge the
20 validity of her Consent or this Final Judgment; (2) contest the allegations in the
21 Complaint filed by the Commission; (3) assert that payment of additional
22 disgorgement and prejudgment and postjudgment interest or a civil penalty should
23 not be ordered; (4) contest the amounts of disgorgement and prejudgment and
24 postjudgment interest; (5) contest the imposition of the maximum civil penalty
25 allowable under the law; or (6) assert any defense to liability or remedy, including,
26 but not limited to, any statute of limitations defense.

27 VII.

28 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Loo shall

1 pay the \$7,500 in disgorgement within thirty days of the date this Final Judgment
2 is entered. The disgorgement shall be paid by cashier's check, certified check or
3 postal money order payable to the Clerk of this Court, together with a cover letter
4 that identifies the defendant, the name and case number of this litigation and the
5 court. A copy of the cover letter shall be simultaneously transmitted to counsel for
6 the Commission in this action at the Commission's Pacific Regional Office in Los
7 Angeles, California. By making this payment, Loo relinquishes all legal and
8 equitable right, title, and interest in such funds, and no part of the funds shall be
9 returned to Loo. The Clerk shall deposit the funds into an interest bearing account
10 with the Court Registry Investment System ("CRIS"). These funds, together with
11 any interest and income earned thereon (collectively, the "Fund"), shall be held by
12 the CRIS until further order of the Court. In accordance with the guidelines set by
13 the Director of the Administrative Office of the United States Courts, the Clerk is
14 directed, without further order of this Court, to deduct from the income earned on
15 the money in the Fund a fee equal to ten percent of the income earned on the Fund.
16 Such fee shall not exceed that authorized by the Judicial Conference of the United
17 States. The Commission may propose a plan to distribute the Fund subject to the
18 Court's approval.

19 **VIII.**

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Loo,
21 pursuant to Section 20(e) of the Securities Act, 15 U.S.C. § 77t(e), and Section
22 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), is prohibited for a period of
23 five years from the date of entry of this Final Judgment from acting as an officer or
24 director of any issuer that has a class of securities registered with the Commission
25 pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l, or that is required to
26 file reports with the Commission pursuant to Section 15(d) of the Exchange Act,
27 15 U.S.C. § 78o(d).

28 *

1 IX.

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
3 provisions of the Consent filed concurrently with this Final Judgment are
4 incorporated herein with the same force and effect as if fully set forth herein and
5 that Loo shall comply with her Consent.

6 X.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that during
8 the pendency of this action against any defendant, Loo shall remain subject to the
9 discovery provisions of the Federal Rules of Civil Procedure which apply to
10 parties, and, in addition, that Loo shall appear, without the service of a subpoena,
11 and without regard to any discovery cut-off date or other restrictions on discovery
12 imposed by the Federal Rules of Civil Procedure or the Local Rules of this Court,
13 for deposition or to testify as a witness at any trial of this action or any other
14 related proceeding. Failure to comply with the foregoing will subject Loo to the
15 remedies and sanctions set forth in Rule 37 of the Federal Rules of Civil
16 Procedure and all other available remedies.

17 XI.

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
19 Court shall retain jurisdiction over this action for all purposes, including
20 implementing and enforcing the terms of this Final Judgment and all other orders
21 and decrees which have been or may be entered in this case, and granting such
22 other relief as the Court may deem necessary and just.

23 XII.

24 There being no just reason for delay, the Clerk of the Court is hereby
25 directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter
26 this Final Judgment.

27 DATED: April 23, 2003

28 
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I, Magnolia M. Marcelo, am over the age of eighteen years, am not a party to this action, and am a citizen of the United States. My business address is 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California, 90036. On April 23, 2003, I caused to be served the **FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST CHANTEL J. LOO** by causing to be mailed true and correct copies thereof in sealed envelopes, postage prepaid, addressed to:

John B. Missing, Esq.
Debevoise & Plimpton
555 13th Street, N.W.
Washington, DC 20004
Counsel for Defendant John C. Bohan

Nathan J. Hochman, Esq.
Hochman, Salkin, Rettig, Toscher & Perez, P.C.
9150 Wilshire Boulevard, Suite 300
Beverly Hills, CA 90212-3414
Counsel for Defendant Lucrezia Bickerton

Gerald E. Boltz, Esq.
Bryan Cave LLP
120 Broadway, Suite 300
Santa Monica, CA 90401-2386
Counsel for Defendant Mark D. Roah

George B. Newhouse, Jr., Esq.
Thelen Reid & Priest LLP
333 S. Hope Street, Suite 2900
Los Angeles, CA 90071-3048
Counsel for Defendant Chantel J. Loo

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

Dated: April 23, 2003

Magnolia M. Marcelo
Magnolia M. Marcelo