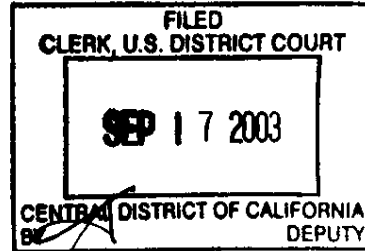


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4 Securities and Exchange Commission
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11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

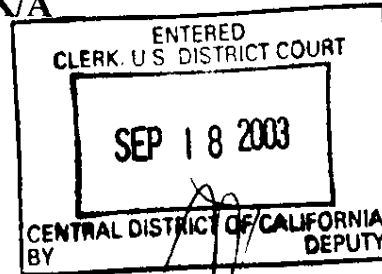
14 v.

15 CHARLES BAYNE, a/k/a CHARLES
16 TAYLOR, and IRA POSNANSKY,
17 a/k/a IRA POST,

18 Defendants.

Case No. CV 03-3922 RGK (SHSx)

19 FINAL JUDGMENT OF
20 PERMANENT INJUNCTION AND
21 OTHER RELIEF AGAINST
22 CHARLES BAYNE A/K/A
23 CHARLES TAYLOR



19 Plaintiff Securities and Exchange Commission ("Commission"), having
20 filed and served upon Defendant Charles Bayne a/k/a Charles Taylor ("Bayne") a
21 Summons and Complaint in this action; Bayne having admitted service upon him
22 of the Summons and Complaint in this action and the jurisdiction of this Court
23 over him and over the subject matter of this action; having been fully advised and
24 informed of his right to a judicial determination of this matter; having waived the
25 entry of findings of fact and conclusions of law as provided by Rule 52 of the
26 Federal Rules of Civil Procedure; having consented to the entry of this Final
27 Judgment Of Permanent Injunction And Other Relief Against Charles Bayne a/k/a
28 Charles Taylor ("Final Judgment") without admitting or denying the allegations in

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1 the Complaint, except as specifically set forth in the Consent Of Charles Bayne
2 a/k/a Charles Taylor To Entry Of Final Judgment Of Permanent Injunction And
3 Other Relief ("Consent"); no notice of hearing upon the entry of this Final
4 Judgment being necessary; and this Court being fully advised:

5 **I.**

6 IT IS ORDERED, ADJUDGED AND DECREED that Bayne and his
7 agents, servants, employees, and attorneys, and those persons in active concert or
8 participation with them who receive actual notice of this Final Judgment by
9 personal service or otherwise, are permanently restrained and enjoined from,
10 directly or indirectly:

- 11 a. making use of any means or instruments of transportation or
12 communication in interstate commerce or of the mails to sell any
13 security through the use or medium of any prospectus or otherwise,
14 unless a registration statement is in effect as to such security;
- 15 b. carrying or causing to be carried through the mails or in interstate
16 commerce, by any means or instruments of transportation, any such
17 security for the purpose of sale or for delivery after sale, unless a
18 registration statement is in effect as to such security; and
- 19 c. making use of any means or instruments of transportation or
20 communication in interstate commerce or of the mails to offer to sell
21 or offer to buy through the use or medium of any prospectus or
22 otherwise, any security, unless a registration statement has been filed
23 with the Commission as to such security, or while a registration
24 statement is the subject of a refusal order or stop order or (prior to the
25 effective date of the registration statement) any public proceeding of
26 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h;
27 in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) &
28 77e(c).

1 **II.**

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

- 9 a. employing any device, scheme or artifice to defraud;
10 b. obtaining money or property by means of any untrue statement of a
11 material fact or any omission to state a material fact necessary in
12 order to make the statements made, in the light of the circumstances
13 under which they were made, not misleading; or
14 c. engaging in any transaction, practice, or course of business which
15 operates or would operate as a fraud or deceit upon the purchaser;
16 in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

17 **III.**

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

- 25 a. employing any device, scheme, or artifice to defraud;
26 b. making any untrue statement of a material fact or omitting to state a
27 material fact necessary in order to make the statements made, in the
28 light of the circumstances under which they were made, not

1 misleading; or

2 c. engaging in any act, practice, or course of business which operates or
3 would operate as a fraud or deceit upon any person;

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

6 **IV.**

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Bayne
8 and his agents, servants, employees and attorneys, and those persons in active
9 concert or participation with them who receive actual notice of this Judgment by
10 personal service or otherwise, are permanently restrained and enjoined from
11 making use of the mails or any means or instrumentality of interstate commerce to
12 effect any transactions in, or to induce or attempt to induce the purchase or sale of,
13 any security without being registered as a broker or dealer pursuant to Section
14 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a)(1) of
15 the Exchange Act, 15 U.S.C. § 78o(a)(1).

16 **V.**

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Bayne
18 shall pay disgorgement, prejudgment interest, and a civil penalty, if any, in
19 amounts subsequently to be determined by the Court. In connection with any
20 hearing to determine the appropriate amounts of disgorgement and a civil penalty,
21 Bayne shall not raise as a defense that he is not liable for payment of disgorgement
22 or a civil penalty, because he did not violate the provisions of the Securities Act,
23 the Exchange Act, or rules thereunder as set forth in the Complaint. Solely for the
24 purposes of determining the amount of disgorgement and a civil penalty, the Court
25 shall accept and deem as true the facts alleged in the Commission's Complaint.

26 **VI.**

27 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Bayne
28 shall not be entitled to a trial by jury for purposes of determining the amount of

1 disgorgement or a civil penalty.

2 **VII.**

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

7 **VIII.**

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED
9 that during the pendency of this action against any defendant, Bayne shall remain
10 subject to the discovery provisions of the Federal Rules of Civil Procedure which
11 apply to parties, and, in addition, that Bayne agrees and undertakes, without
12 service of a subpoena, to appear for his deposition or to testify as a witness at any
13 trial of this action or at any related proceeding. Failure to comply with the
14 foregoing will subject Bayne to the remedies and sanctions set forth in Rule 37 of
15 the Federal Rules of Civil Procedure and all other available remedies.

16 **IX.**

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
18 Court shall retain jurisdiction over this action for all purposes, including
19 implementing and carrying out the terms of this Final Judgment and all other
20 orders which may be entered herein, to resolve the Commission's pending claims
21 against Bayne for disgorgement, together with prejudgment interest, and for a civil
22 penalty, and to entertain any suitable application or motion for additional relief
23 within the jurisdiction of this Court.

24 /

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X.

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.

SEP 15 2003

DATED: ~~08/11/03~~

Gary Klausner
HONORABLE R. GARY KLAUSNER
UNITED STATES DISTRICT JUDGE

Submitted by

Jose F. Sanchez / JFS
Jose F. Sanchez
Attorney for Plaintiff
Securities and Exchange Commission

Approved as to form and content:

Charles Bayne
Defendant Charles Bayne a/k/a Charles Taylor

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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:

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On September 15, 2003, I served the document entitled **FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST CHARLES BAYNE A/K/A CHARLES TAYLOR** 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 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.

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.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee.

FEDERAL EXPRESS BY AGREEMENT OF ALL PARTIES: 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.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

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: September 15, 2003

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 **SEC v. CHARLES BAYNE, et al.**
2 **United States District Court - Central District of California**
3 **Case No. CV 03-3922 RGK (SHSx)**
 (LA-2475)

4 **SERVICE LIST**

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10 Law Offices of Irving M. Einhorn
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14 ***Attorney for Defendant Ira Posnansky a/k/a Ira Post***

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