

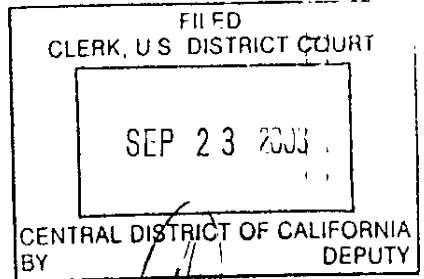
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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA



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SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

SOPHIA M. KABLER, et al.,

Defendant.

Civil Action No.

CV 03-6716-JFW (VJK)

**FINAL JUDGMENT OF
PERMANENT INJUNCTION AND
OTHER RELIEF AGAINST
DEFENDANT SOPHIA M.
KABLER**

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(c).

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Sophia M. Kabler ("Kabler") a Summons and Complaint in this action; Kabler having admitted service upon her of the Summons and Complaint in this action and the jurisdiction of this Court over her and over the subject matter of this action; having been fully advised and informed of her 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 Sophia M. Kabler ("Final Judgment") without admitting or denying the allegations in the Complaint, except as specifically set forth in the Consent Of Sophia M. Kabler To Entry Of Final

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 ORDERED, ADJUDGED, AND DECREED that Kabler and her
6 agents, servants, employees, attorneys, and all persons in active concert or
7 participation with any of them, who receive actual notice of this Final Judgment,
8 by personal service or otherwise, and each of them, are permanently restrained and
9 enjoined from, directly or indirectly, in the offer or sale of the securities of any
10 issuer, by the use of any means or instruments of transportation or communication
11 in interstate commerce or by the 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 the 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, 15 U.S.C. § 77q(a).

20 II.

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

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

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

12 III.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Kabler
14 and her agents, servants, employees and attorneys, and all persons in active
15 concert or participation with any of them, who receive actual notice of this Final
16 Judgment, by personal service or otherwise, and each of them, are permanently
17 restrained and enjoined from, directly, or indirectly, by the use of any means or
18 instrumentality of interstate commerce or of the mails, or of any facility of any
19 national securities exchange:

- 20 A. causing the failure to devise and maintain a system of internal
21 accounting controls sufficient to provide reasonable assurances that
22 financial statements are prepared in conformity with Generally
23 Accepted Accounting Principles;
- 24 B. falsifying or causing to be falsified books, records or accounts subject
25 to Section 13(b)(2)(A) of the Exchange Act;
- 26 C. making or causing to be made, or causing another person to omit or
27 state, a materially false or misleading statement, or omitting to state a
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1 material fact in order to make statements made, in light of the
2 circumstances under which such statements were made, not
3 misleading to an accountant in connection with (1) an audit or
4 examination of financial statements required to be made pursuant to
5 the Exchange Act regulations, or (2) the preparation or filing of
6 reports or documents required to be filed with the Commission
7 pursuant to Exchange Act regulations or otherwise;
8 in violation of Section 13(b)(5) of the Exchange Act, 15 U.S.C., § 78m(b)(5), and
9 Rules 13b2-1 and 13b2-2 thereunder, 17 C.F.R. §§ 240.13b2-1 and 240.13b2-2.

10 IV.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Kabler
12 and her agents, servants, employees and attorneys and all persons in active concert
13 or participation with any of them, who receive actual notice of this Final
14 Judgment, by personal service or otherwise, and each of them, are permanently
15 restrained and enjoined from, directly or indirectly:

16 causing the filing of a required periodic report with the Commission
17 containing any untrue statement of material fact or omitting to state a
18 material fact required to be stated or necessary in order to make the
19 statements made, in light of the circumstances under which they were
20 made, not misleading;
21 in violation of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules
22 12b-20 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20 and 240.13a-13.

23 V.

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

4 causing the failure to make and keep accurate books, records, and
5 accounts which, in reasonable detail, accurately and fairly reflect
6 financial transactions and disposition of assets;

7 in violation of Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C.

8 § 78m(b)(2)(A).

9 VI.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
11 Kabler is liable for disgorgement of \$497,958, representing profits gained as a
12 result of the conduct alleged in the Complaint, together with prejudgment interest
13 thereon in the amount of \$32,162, and a civil penalty in the amount of \$120,000
14 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d) and Section
15 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Kabler shall satisfy this
16 obligation by paying \$650,120 within one year of the entry of this Final Judgment to
17 the Clerk of this Court, together with a cover letter identifying her name as a
18 defendant in this action; setting forth the title and civil action number of this action
19 and the name of this Court; and specifying that payment is made pursuant to this Final
20 Judgment. Kabler shall simultaneously transmit photocopies of such payment and
21 letter to the counsel for the Commission at its Los Angeles office located at 5670
22 Wilshire Boulevard, 11th floor, Los Angeles, California 90036. By making this
23 payment, Kabler relinquishes all legal and equitable right, title, and interest in such
24 funds, and no part of the funds shall be returned to Kabler. The Clerk shall deposit
25 the funds into an interest bearing account with the Court Registry Investment System
26 ("CRIS"). These funds, together with any interest and income earned thereon
27 (collectively, the "Fund"), shall be held by the CRIS until further order of the Court.
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1 In accordance with the guidelines set by the Director of the Administrative Office of
2 the United States Courts, the Clerk is directed, without further order of this Court, to
3 deduct from the income earned on the money in the Fund a fee equal to ten percent of
4 the income earned on the Fund. Such fee shall not exceed that authorized by the
5 Judicial Conference of the United States. The Commission may by motion propose a
6 plan to distribute the Fund subject to the Court's approval. Such a plan may provide
7 that the Fund shall be distributed pursuant to the Fair Fund provisions of Section
8 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund
9 distribution is made, amounts ordered to be paid as civil penalties pursuant to this
10 Final Judgment shall be treated as penalties paid to the government for all purposes,
11 including all tax purposes

12 VII.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to
14 Section 21(d)(2) of the Exchange Act 15 U.S.C. § 78u(d)(2), Kabler is permanently
15 prohibited from acting as an officer or director of any issuer that has a class of securities
16 registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 781 or that is required
17 to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

18 VIII.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
20 provisions of the Consent filed concurrently with this Final Judgment are
21 incorporated herein with the same force and effect as if fully set forth herein and that
22 Kabler shall comply with her Consent.

23 IX.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
25 shall retain jurisdiction over this action for all purposes, including to implement and
26 enforce the terms of this Final Judgment and other orders and decrees which may be
27 entered, and to grant such other relief as this Court may deem necessary and just
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X.

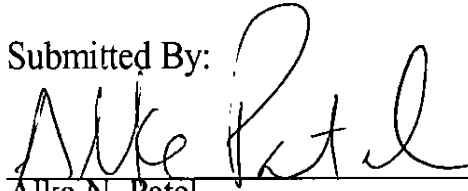
IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that during the pendency of this action, Kabler shall remain a party to this action subject to the discovery provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition, agrees and undertakes that she will appear, without the service of a subpoena, for deposition or to testify as a witness at any trial of this action or at any other related proceeding. With respect to any depositions or other discovery, Kabler shall waive any discovery cut-off date or any other restrictions on discovery imposed by the Federal Rules of Civil Procedure or the Court's Local Rules. Failure to comply with the foregoing will subject Kabler to the remedies and sanctions set forth in Rule 37 of the Federal Rules of Civil Procedure and all other available remedies.

XI.

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.

DATED: 9/23/03


UNITED STATES DISTRICT JUDGE

Submitted By: 

Alka N. Patel

Attorney for Plaintiff

Securities and Exchange Commission