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3:03-CV-01957 SECURITIES V. LEE  
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\*CONSJGM.\*

FILED  
AUG 13 2004  
CLERK U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
DEPUTY  
BY *[Signature]*

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9 UNITED STATES DISTRICT COURT  
10 SOUTHERN DISTRICT OF CALIFORNIA

11 \_\_\_\_\_  
12 SECURITIES AND EXCHANGE COMMISSION, :

13 Plaintiff, :

14 v. :

15 BRIAN LEE (AKA BRIAN LEE PETROSIAN), :  
16 TODD DIROBERTO, :  
LONNIE DRAGON AND :  
TREVOR WATSON, :

17 Defendants. :  
18 \_\_\_\_\_

Docket Number:  
03-CV-1957-JH (JFS)

FINAL JUDGMENT AS TO  
TREVOR WATSON

19 The Securities and Exchange Commission having filed a Complaint and Defendant  
20 Trevor Watson ("Defendant") having entered a general appearance; consented to the Court's  
21 jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final  
22 Judgment without admitting or denying the allegations of the Complaint (except as to  
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ENTERED ON 8/13/04

1 jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal  
2 from this Final Judgment:

3 I.

4 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and  
5 Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
6 participation with them who receive actual notice of this Final Judgment by personal service or  
7 otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section  
8 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and  
9 Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or  
10 instrumentality of interstate commerce, or of the mails, or of any facility of any national  
11 securities exchange, in connection with the purchase or sale of any security: (a) to employ any  
12 device, scheme, or artifice to defraud; (b) to make any untrue statement of a material fact or to  
13 omit to state a material fact necessary in order to make the statements made, in the light of the  
14 circumstances under which they were made, not misleading; or (c) to engage in any act, practice,  
15 or course of business which operates or would operate as a fraud or deceit upon any person.

16 II.

17 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
18 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
19 participation with them who receive actual notice of this Final Judgment by personal service or  
20 otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities  
21 Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or  
22 instruments of transportation or communication in interstate commerce or by use of the mails,  
23 directly or indirectly: (a) to employ any device, scheme, or artifice to defraud; (b) to obtain  
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1 money or property by means of any untrue statement of a material fact or any omission of a  
2 material fact necessary in order to make the statements made, in light of the circumstances under  
3 which they were made, not misleading; or (c) to engage in any transaction, practice, or course of  
4 business which operates or would operate as a fraud or deceit upon the purchaser.

5 III.

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant  
7 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or  
8 participation with them who receive actual notice of this Final Judgment by personal service or  
9 otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act  
10 [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption: (a)  
11 Unless a registration statement is in effect as to a security, making use of any means or  
12 instruments of transportation or communication in interstate commerce or of the mails to sell  
13 such security through the use or medium of any prospectus or otherwise; (b) Unless a registration  
14 statement is in effect as to a security, carrying or causing to be carried through the mails or in  
15 interstate commerce, by any means or instruments of transportation, any such security for the  
16 purpose of sale or for delivery after sale; or (c) Making use of any means or instruments of  
17 transportation or communication in interstate commerce or of the mails to offer to sell or offer to  
18 buy through the use or medium of any prospectus or otherwise any security, unless a registration  
19 statement has been filed with the Commission as to such security, or while the registration  
20 statement is the subject of a refusal order or stop order or (prior to the effective date of the  
21 registration statement) any public proceeding of examination under Section 8 of the Securities  
22 Act [15 U.S.C. § 77h].  
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IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that based on Defendant's sworn representations in his Statement of Financial Condition dated January 5, 2004, and other documents and information submitted to the Commission, the Court is not ordering Defendant to pay a civil penalty and payment of disgorgement of \$26,000 and pre-judgment interest thereon of \$7,063 is waived. The determination not to impose a civil penalty and to waive payment of disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of Defendant's Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1) challenge the validity of this Consent or the Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment

1 interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-  
2 judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty  
3 allowable under the law; or (6) assert any defense to liability or remedy, including, but not  
4 limited to, any statute of limitations defense.

5 V.

6 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
7 incorporated herein with the same force and effect as if fully set forth herein, and that Defendant  
8 shall comply with all of the undertakings and agreements set forth therein.

9 VI.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
11 jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

12 VII.

13 There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil  
14 Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

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16 Dated: August 11, 2004.

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20 JOHN A. HOUSTON  
21 UNITED STATES DISTRICT JUDGE  
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