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3:03-CV-01958 SECURITIES V. FRASIER  
\*40\*  
\*JGM.\*

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U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

*SMW*

DEPUTY *[Signature]*

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10 UNITED STATES DISTRICT COURT  
11 SOUTHERN DISTRICT OF CALIFORNIA

12 \_\_\_\_\_  
SECURITIES AND EXCHANGE COMMISSION, :  
13 Plaintiff, :  
14 v. :  
15 RICHARD A. MAY, :  
16 Defendant. :  
17 \_\_\_\_\_

Docket Number:  
03-CV-1958-BTM (JFS)

~~PROPOSED~~ FINAL JUDGMENT  
AS TO DEFENDANT  
RICHARD A. MAY

*[Signature]*

18 The Securities and Exchange Commission having filed a Complaint; Defendant Richard  
19 A. May having entered a general appearance, consented to the Court's jurisdiction over him, the  
20 subject matter of this action, and to the entry of the Order of Permanent Injunction without  
21 admitting or denying the allegations of the Complaint (Docket Nos. 32 & 33); and the Court  
22 having held a bench trial on September 2, 2005, and issued an Opinion and Order with regard  
23 thereto dated September 20, 2005 (Docket No. 39):

24 ENTERED ON 9/30/05  
25

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I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$472,402.61, representing profits gained as a result of the conduct alleged in the Complaint. In addition to disgorgement, Defendant shall pay a civil penalty of \$5,000.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$477,402.61 within ten business days to the Clerk of the Court, together with a cover letter identifying Richard A. May as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action. Defendant relinquishes all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Defendant.<sup>1</sup> The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund

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<sup>1</sup> The Commission has discretion to establish a payment plan for collection of Defendant's financial obligations under this Final Judgment at Defendant's request to the Commission.

1 subject to the Court's approval. Defendant shall pay post-judgment interest on any delinquent  
2 amounts pursuant to 28 USC § 1961.

3 II.

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section  
5 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant is prohibited, for a period of 12  
6 months following the date of entry of this Final Judgment, from acting as an officer or director of  
7 any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15  
8 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15  
9 U.S.C. § 78o(d)].

10 III.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
12 prohibited, for a period of 18 months following the date of entry of this Final Judgment, from  
13 participating in an offering of penny stock, including engaging in activities with a broker, dealer,  
14 or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale  
15 of any penny stock. A penny stock is any equity security that has a price of less than five dollars,  
16 except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

17 IV.


18 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Order of  
19 Permanent Injunction (Docket No. 33) is incorporated herein with the same force and effect as if  
20 fully set forth herein, and that Defendant shall comply with all of the provisions stated therein.

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V.

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

Dated: September 29, 2005

  
United States Magistrate Judge