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3 **UNITED STATES DISTRICT COURT**
4 **CENTRAL DISTRICT OF CALIFORNIA**
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7 **SECURITIES AND EXCHANGE**
8 **COMMISSION,**

9 Plaintiff,

10 vs.

11 **TRI ENERGY, INC., et al.**

12 Defendants.
13

Case No. ED CV 05-351 AG(MANx)

**DEFAULT JUDGMENT AGAINST
DEFENDANTS HENRY JONES,
MARINA INVESTORS GROUP,
INC., AND GLOBAL VILLAGE
RECORDS**

14 This matter is before the Court on the Plaintiff Securities and Exchange
15 Commission’s Motion for Default Judgment Against Defendants Henry Jones,
16 Marina Investors Group, Inc., and Global Village Records (“Defendants”). The
17 Court has reviewed the filings by the parties and the evidence submitted therewith.
18 The Court finds good cause to GRANT the Motion for Default Judgment and,
19 consistent therewith, ORDERS as follows:
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22 **I.**

23 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that
24 Defendants and all persons in active concert or participation with them who
25 receive actual notice of this Judgment by personal service or otherwise are
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1 permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the
2 Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77e(a) & 77e(c)] by,
3 directly or indirectly, in the absence of any applicable exemption:
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5 (a) Unless a registration statement is in effect as to a security, making use
6 of any means or instruments of transportation or communication in
7 interstate commerce or of the mails to sell such security through the
8 use or medium of any prospectus or otherwise;
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10 (b) Unless a registration statement is in effect as to a security, carrying or
11 causing to be carried through the mails or in interstate commerce, by
12 any means or instruments of transportation, any such security for the
13 purpose of sale or for delivery after sale; or
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15 (c) Making use of any means or instruments of transportation or
16 communication in interstate commerce or of the mails to offer to sell
17 or offer to buy through the use or medium of any prospectus or
18 otherwise any security, unless a registration statement has been filed
19 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
21 effective date of the registration statement) any public proceeding or
22 examination under Section 8 of the Securities Act [15 U.S.C. § 77h].
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II.

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

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23 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
24 that Defendants and all persons in active concert or participation with them who
25 receive actual notice of this Judgment by personal service or otherwise are
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1 permanently restrained and enjoined from violating, or aiding and abetting
2 violations of, directly or indirectly, Section 10(b) of the Securities Exchange Act of
3 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated
4 thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of
5 interstate commerce, or of the mails, or of any facility of any national securities
6 exchange, in connection with the purchase or sale of any security:
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- 9 (a) to employ any device, scheme, or artifice to defraud;
 - 10 (b) to make any untrue statement of a material fact or to omit to state a
11 material fact necessary in order to make the statements made, in the
12 light of the circumstances under which they were made, not
13 misleading; or
 - 14 (c) to engage in any act, practice, or course of business which operates or
15 would operate as a fraud or deceit upon any person.
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19 **IV.**

20 **IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED**
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22 that Defendants and all persons in active concert or participation with them who
23 receive actual notice of this Judgment, by personal service or otherwise, and each
24 of them, are permanently enjoined and restrained from, directly or indirectly, any
25 involvement in, or conduct facilitating or relating in any way to, investing or
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1 soliciting investment in any program purporting to involve coal or a coal mine
2 operation, an international gold transaction, or an international banking transaction,
3 with or from any participant, officer, director, or investor in Tri Energy Inc., H&J
4 Energy Inc., La Vie D' Argent, Marina Investors Group, Inc., or Global Village
5 Records. This paragraph does not preclude cooperation with the Commission or
6 the receiver in the operation of, or attempts to recover monies related to, any of the
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8 entities listed above.
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12 **V.**

13 **IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND**
14 **DECREED** that these three Defendants are jointly and severally liable for
15 disgorgement of \$22,291,725, representing monies unlawfully gained as a result of
16 the conduct alleged in the Amended Complaint, together with prejudgment interest
17 thereon in the amount of \$2,073,922, for a total of \$24,365,647. The Commission
18 may enforce the Court's judgment for disgorgement and prejudgment interest by
19 moving for civil contempt (and/or through other collection procedures authorized
20 by law) at any time after ten days following entry of this Final Judgment. In
21 response to any such civil contempt motion by the Commission, the defendants
22 may assert any legally permissible defense. Payments under this paragraph shall
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1 be made to the Clerk of this Court, together with a cover letter identifying
2 Defendants' names; setting forth the title and civil action number of this action and
3 the name of this Court; and specifying that payment is made pursuant to this Final
4 Judgment. Defendants shall simultaneously transmit photocopies of such payment
5 and letter to the Commission's counsel in this action. By making this payment,
6 Defendants relinquish all legal and equitable right, title, and interest in such funds,
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8 and no part of the funds shall be returned to Defendants.
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10 The Clerk shall deposit the funds into the Registry Account of this Court or
11 any other type of interest bearing account that is utilized by the Court. These
12 funds, together with any interest and income earned thereon (collectively, the
13 "Fund"), shall be held in the interest bearing account until further order of the
14 Court. In accordance with 28 U.S.C. § 1914, LR 67-2, and the guidelines set by
15 the Director of the Administrative Office of the United States Courts, the Clerk is
16 directed, without further order of this Court, to deduct from the income earned on
17 the investment in the Fund a fee not to exceed the amount prescribed by the
18 Judicial Conference of the United States.
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22 The Commission may by motion propose a plan to distribute the Fund
23 subject to the Court's approval. Such a plan may provide that Fund shall be
24 distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-
25 Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is
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1 made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall
2 be treated as penalties paid to the government for all purposes, including all tax
3 purposes. To preserve the deterrent effect of the civil penalty, Defendants shall
4 not, after offset or reduction of any award of compensatory damages in any
5 Related Investor Action based on Defendants' payment of disgorgement in this
6 action, argue that they are entitled to, nor shall they further benefit by, offset or
7 reduction of such compensatory damages award by the amount of any part of
8 Defendants' payment of a civil penalty in this action ("Penalty Offset"). If the
9 court in any Related Investor Action grants such a Penalty Offset, Defendants
10 shall, within 30 days after entry of a final order granting the Penalty Offset, notify
11 the Commission's counsel in this action and pay the amount of the Penalty Offset
12 to the United States Treasury or to a Fair Fund, as the Commission directs. Such a
13 payment shall not be deemed an additional civil penalty and shall not be deemed to
14 change the amount of the civil penalty imposed in this Judgment. For purposes of
15 this paragraph, a "Related Investor Action" means a private damages action
16 brought against Defendants by or on behalf of one or more investors based on
17 substantially the same facts as alleged in the Complaint in this action.
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1 **VI.**

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3 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that

4 Defendant Jones shall pay a civil penalty in the amount of \$7,000,000 pursuant to
5 Section 21(d)(3)(B)(iii) of the Exchange Act [15 U.S.C. § 78u(d)(3)(B)(iii)].
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7 While greater civil penalties are possible here, the Court imposes a more
8 reasonable penalty recognizing the other penalties, like prison time, being imposed
9 against Defendant Jones. Defendant Jones shall make this payment within ten (10)

10 business days after entry of this Final Judgment by certified check, bank cashier's
11 check, or United States postal money order payable to the Securities and Exchange
12 Commission. The payment shall be delivered or mailed to the Office of Financial

13 Management, Securities and Exchange Commission, Operations Center, 6432
14 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be

15 accompanied by a letter identifying Defendant Jones as a defendant in this action;
16 setting forth the title and civil action number of this action and the name of this
17 Court; and specifying that payment is made pursuant to this Final Judgment.

18 Defendant shall pay post-judgment interest on any delinquent amounts pursuant to
19 28 USC § 1961. The Commission shall remit the funds paid pursuant to this
20 paragraph to the United States Treasury.

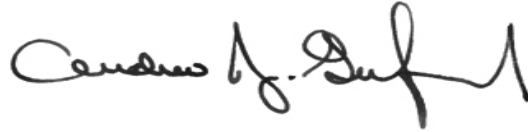
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VII.

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

Dated: March 20, 2008



HONORABLE ANDREW GUILFORD
UNITED STATES DISTRICT JUDGE