

KAREN MATTESON, Cal. Bar No. 102103
Email: mattesonk@sec.gov
VICTORIA A. LEVIN, Cal. Bar No. 166616
Email: levinv@sec.gov
JANET E. MOSER, Cal. Bar No. 199171
Email: moserj@sec.gov

FILED '09 MAY 04 13:37 USDC-ORP

Attorneys for Plaintiff
Securities and Exchange Commission
Rosalind R. Tyson, Regional Director
Andrew G. Petillon, Associate Regional Director
5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036-3648
Telephone: (323) 965-3998
Facsimile: (323) 965-3908

**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

vs.

**C. WESLEY RHODES, JR., RHODES
ECONOMETRICS, INC., THE RHODES
COMPANY, and RESOURCE
TRANSACTIONS, INC.,**

Defendants.

Case No. CV 06-1353-MO

**[PROPOSED] FINAL JUDGMENT
AGAINST DEFENDANT C. WESLEY
RHODES, JR., FOR DISGORGEMENT,
PREJUDGMENT INTEREST, AND CIVIL
PENALTY**

On May 30, 2007, the Court entered a Judgment of Permanent Injunction and Other Relief Against Defendant C. Wesley Rhodes, Jr. ("Judgment of Permanent Injunction"), enjoining C. Wesley Rhodes, Jr. ("Rhodes") from future violations of the federal securities laws. Pursuant to Rule 56 of the Federal Rules of Civil Procedure, and as provided for in Paragraph IV of the Judgment of Permanent Injunction, Plaintiff Securities and Exchange Commission ("Commission") filed a Motion for Summary Judgment on March 9, 2009, asking this Court to order that Rhodes disgorge ill-gotten gains plus prejudgment interest and pay a civil penalty. Rhodes' response was due March 23, 2009, but he filed no documents in opposition to the Commission's Motion for Summary Judgment. The Court, having ordered on March 30, 2009, that Rhodes appear in writing within twenty (20) days thereof to show cause why the Commission's Motion for Summary Judgment should not be granted and finding that Rhodes failed to make any such written appearance, now enters this Final Judgment as to Rhodes.

I.

IT IS ORDERED that the Commission's Motion for Summary Judgment is hereby GRANTED.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Rhodes is liable for disgorgement of \$11,887,096, representing his ill-gotten gains as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$4,694,784, for a total of \$16,581,880. Rhodes shall satisfy this obligation by paying \$16,581,880 within ten (10) business days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to Michael A. Grassmuck, Receiver. The payment shall be delivered or mailed to Michael A. Grassmuck, The Grassmuck Group, P.O. Box 3649, Portland, OR 97208. A copy of the cover letter and the check or money order shall be simultaneously transmitted to counsel for the Commission at its Los Angeles Regional Office, located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036. Rhodes shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Rhodes shall pay a civil penalty in the amount of \$130,000 pursuant to Section 20(d) of the Securities Act of 1933, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u(d)(3), and Section 209(e) of the Investment Advisers Act of 1940, 15 U.S.C. § 80b-9(e). Rhodes shall make this payment within ten (10) business days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia, 22312, and shall be accompanied by a letter identifying Rhodes as the 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. A copy of the cover letter and the check or money order shall be simultaneously transmitted to counsel for the Commission at its Los Angeles Regional Office, located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036. Rhodes shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commission and/or the Receiver may enforce the provisions of this Final Judgment ordering payment of disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) and the Commission may enforce the provisions of this Final Judgment ordering payment of a civil penalty through any collection procedures authorized by law, at any time after ten days following entry of this Final Judgment.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commission may by motion propose a plan to distribute funds paid by Rhodes in satisfaction of this Final

Judgment subject to the Court's approval. Such a plan may provide that the funds shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, the amount ordered to be paid as a civil penalty pursuant to this Final Judgment shall be treated as a penalty paid to the government for all purposes, including all tax purposes.

VI.

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.

VII.

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

DATED: 4 May 09


MICHAEL W. MOSMAN
UNITED STATES DISTRICT JUDGE

Submitted by:

/s/ Janet E. Moser

KAREN MATTESON, Cal. Bar No. 102103
Email: mattesonk@sec.gov
JANET E. MOSER, Cal. Bar No. 199171
Email: moserj@sec.gov

Attorneys for Plaintiff Securities and Exchange Commission

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

[X] U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036.

Telephone: (323) 965-3998; Fax: (323) 965-3908

On April 29, 2009, I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT AGAINST DEFENDANT C. WESLEY RHODES, JR., FOR DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL PENALTY** upon the parties to this action addressed as stated on the attached service list:

[X] **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.

[] **PERSONAL SERVICE:** I caused to be personally delivered each such envelope by hand to the office of the addressee in the attached service list.

[] **FEDERAL EXPRESS:** 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.

[] **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

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

[X] **(Federal)** I declare under penalty of perjury that I am a member of the State Bar of California, am an attorney permitted to appear before this Court and that the foregoing is true and correct

Date: April 29, 2009

/s/ Janet E. Moser
Janet E. Moser

SEC v. C. WESLEY RHODES, JR., et al.
United States District Court - District of Oregon
Case No. CV 06-1353 MO
(LA-3201)

SERVICE LIST

C. Wesley Rhodes, Jr. (served by U.S. mail only)
P.O. Box 1317
Oregon City, OR 97045
Pro Se

David R. Zaro, Esq.*
Mark R. Hartney, Esq.*
Allen Matkins Leck Gamble Mallory & Natsis LLP
515 South Figueroa Street, 7th Floor
Los Angeles, CA 90071-3398
dzaro@allenmatkins.com
mhartney@allenmatkins.com
Attorneys for Receiver Michael A. Grassmueck

Anil Karia, Esq.*
Tonkon Torp
1600 Pioneer Tower, 888 SW Fifth Avenue
Portland, OR 97204
Attorney for Patrick and Cynthia Ball

Peter C. McKittrick, Esq.*
Tara J. Schleicher, Esq.*
Farleigh Witt
121 SW Morrison Street, Suite 600
Portland, OR 97204
pmckittrick@farleighwitt.com
tschleicher@farleighwitt.com
Attorneys for Receiver Michael A. Grassmueck

Michael A. Grassmueck (served by U.S. mail only)
The Grassmueck Group
P.O. Box 3649
Portland, OR 97208
Receiver

Douglas A. Gribskov (served by U.S. mail only)
35085 SW Cloudbrest Lane
Hillsboro, OR 97123

Larry G. Hittle (served by U.S. mail only)
Ater Wynne Hewitt Dodson & Skerritt
222 SW Columbia, Suite 1800
Portland, OR 97201-6618

***Electronically served through the CM/ECF system.**