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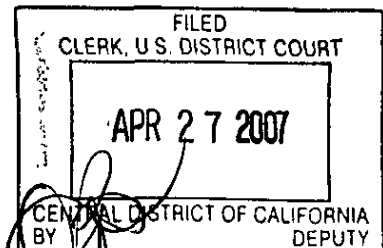
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U.S. DISTRICT COURT
 CENTRAL DIST. OF CALIF.
 LOS ANGELES

UNITED STATES DISTRICT COURT
 FOR THE CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

CV 07 2655 GHK

13 SECURITIES AND EXCHANGE
 14 COMMISSION,

15 Plaintiff,

16 vs.

17 GARY K. MELTON,

18 Defendant.

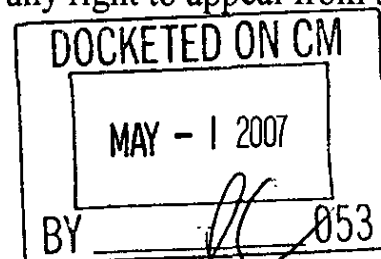
Case No.

**[PROPOSED] FINAL
 JUDGMENT OF PERMANENT
 INJUNCTION AND OTHER
 RELIEF AGAINST GARY K.
 MELTON**

(JCx)

19
 20 The Securities and Exchange Commission ("Commission") having filed a
 21 Complaint and Defendant Gary K. Melton having entered a general appearance;
 22 consented to the Court's jurisdiction over Defendant and the subject matter of this
 23 action; consented to entry of this Final Judgment of Permanent Injunction and
 24 Other Relief against Gary K. Melton ("Final Judgment") without admitting or
 25 denying the allegations of the Complaint (except as to jurisdiction); waived
 26 findings of fact and conclusions of law; and waived any right to appeal from this
 27 Final Judgment:

28 ///



I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifices to defraud;
- (b) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$15,282, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$821, and a civil penalty in the amount of \$15,282 pursuant to Section 21A of the Exchange Act, 15 U.S.C. § 78u-1. Defendant shall satisfy this obligation by paying \$31,385 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

1 Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a
2 letter identifying "Gary K. Melton" as a defendant in this action; setting forth the
3 title and civil action number of this action and the name of this Court; and
4 specifying that payment is made pursuant to this Final Judgment. Defendant shall
5 simultaneously transmit photocopies of such payment and letter to counsel for the
6 Commission in this action at the Commission's Pacific Regional Office in Los
7 Angeles. Defendant shall pay post-judgment interest on any delinquent amounts
8 pursuant to 28 USC § 1961. The Commission shall remit the funds paid pursuant
9 to this paragraph to the United States Treasury.

10 **III.**

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

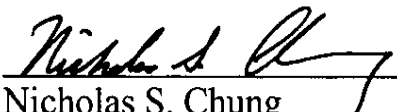
15 **IV.**

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

19
20
21 DATED: 4/26/07

22 
UNITED STATES DISTRICT JUDGE

23
24 Presented by:

25 
26 Nicholas S. Chung
27 Attorney for Plaintiff
28 Securities and Exchange Commission