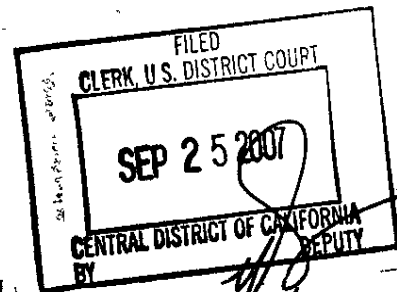


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**UNITED STATES DISTRICT COURT  
 CENTRAL DISTRICT OF CALIFORNIA**

**CV 07-06180 CAS(AGR)**

7  
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 9  
 10  
 11 SECURITIES AND EXCHANGE  
 COMMISSION,

12 Plaintiff,

13 vs.

14 MICHAEL B. UPTON,

15 Defendant.

Case No.

**FINAL JUDGMENT OF  
 PERMANENT INJUNCTION AND  
 OTHER RELIEF AGAINST  
 DEFENDANT MICHAEL B.  
 UPTON**

16  
 17  
 18  
 19 Plaintiff Securities and Exchange Commission ("Commission"), having filed  
 20 and served upon Defendant Michael B. Upton ("Upton") a Summons and  
 21 Complaint in this action; Upton having entered a general appearance, consented to  
 22 the Court's jurisdiction over Upton and the subject matter of this action; consented  
 23 to entry of this Judgment, without admitting or denying the allegations of the  
 24 Complaint (except as to jurisdiction); waived findings of fact and conclusions of  
 25 law; and waived any right to appeal from this Judgment:

26  
 27  
 28 THIS CONSTITUTES NOTICE OF ENTRY  
 AS REQUIRED BY FRCP, RULE 77(d)

(3)

SCANNED

**I.**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Upton and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this 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 artifice 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 Upton and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a

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1 material fact or any omission of a material fact necessary in order to  
2 make the statements made, in light of the circumstances under which  
3 they were made, not misleading; or

- 4 (c) to engage in any transaction, practice, or course of business which  
5 operates or would operate as a fraud or deceit upon the purchaser.

### 6 III.

7 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Upton is  
8 liable for disgorgement of \$287,496.00, representing profits gained as a result of  
9 the conduct alleged in the Complaint, together with prejudgment interest thereon in  
10 the amount of \$8,090.87 for a total of \$295,586.87. Upton shall satisfy this  
11 obligation by paying \$295,586.87 within ten business days after entry of this Final  
12 Judgment by certified check, bank cashier's check, or United States postal money  
13 order payable to the Securities and Exchange Commission. The payment shall be  
14 delivered or mailed to the Office of Financial Management, Securities and  
15 Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-  
16 3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying  
17 Upton as a defendant in this action; setting forth the title and civil action number of  
18 this action and the name of this Court; and specifying that payment is made  
19 pursuant to this Final Judgment. Upton shall pay post-judgment interest on any  
20 delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit the  
21 funds paid pursuant to this paragraph to the United States Treasury.

### 22 IV.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
24 Upton shall pay a civil penalty in the amount of \$120,000.00 pursuant to Section  
25 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the  
26 Exchange Act, 15 U.S.C. § 78(u)(d)(3). Upton shall make this payment within ten  
27 (10) business days after entry of this Judgment by certified check, bank cashier's  
28 check, or United States postal money order payable to the Securities and Exchange

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1 Commission. The payment shall be delivered or mailed to the Office of Financial  
2 Management, Securities and Exchange Commission, Operations Center, 6432  
3 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be  
4 accompanied by a letter identifying Upton as a defendant in this action; setting  
5 forth the title and civil action number of this action and the name of this Court; and  
6 specifying that payment is made pursuant to this Judgment. Upton shall pay post-  
7 judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The  
8 Commission shall remit the funds paid pursuant to this paragraph to the United  
9 States Treasury.

10 V.

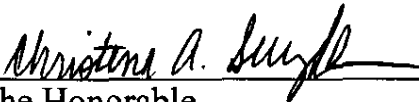
11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
12 Consent is incorporated herein with the same force and effect as if fully set forth  
13 herein, and that Upton shall comply with all of the undertakings and agreements  
14 set forth therein.

15 VI.

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 Judgment.

19 IT IS SO ORDERED.

20 DATED: 9/25/07

21   
22 The Honorable  
23 UNITED STATES DISTRICT JUDGE  
24  
25  
26  
27  
28