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9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SOUTHERN DIVISION**

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 vs.

16 JOSEPH R. PORCHE, LARRY R.
17 CROWDER, KONRAD C. KAFARSKI,
CARLTON L. WILLIAMS, GARY K.
18 JUNCKER, and DALE J. ENGELHARDT,

19 Defendants.

Case No. SACV 10-01165 DOC (RNBx)

**FINAL JUDGMENT AS TO
DEFENDANT CARLTON L.
WILLIAMS**

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1 Plaintiff Securities and Exchange Commission (“Commission”) having filed
2 a Complaint and Defendant Carlton L. Williams (“Defendant” or “Williams”)
3 having entered a general appearance; consented to the Court’s jurisdiction over
4 Williams and the subject matter of this action; consented to entry of this Final
5 Judgment without admitting or denying the allegations of the Complaint (except as
6 to jurisdiction); waived findings of fact and conclusions of law; and waived any
7 right to appeal from this Final Judgment:

8 **I.**

9 IT IS HEREBY ORDERED that defendant Williams and his agents,
10 servants, employees, attorneys, and all persons in active concert or participation
11 with them who receive actual notice of this Final Judgment by personal service or
12 otherwise are permanently restrained and enjoined from violating Sections 5(a) and
13 5(c) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§ 77e(a) and
14 77e(c)] by, directly or indirectly, in the absence of any applicable exemption:

- 15 (a) Unless a registration statement is in effect as to a security,
16 making use of any means or instruments of transportation or
17 communication in interstate commerce or of the mails to sell
18 such security through the use or medium of any prospectus or
19 otherwise;
- 20 (b) Unless a registration statement is in effect as to a security,
21 carrying or causing to be carried through the mails or in
22 interstate commerce, by any means or instruments of
23 transportation, any such security for the purpose of sale or for
24 delivery after sale; or
- 25 (c) Making use of any means or instruments of transportation or
26 communication in interstate commerce or of the mails to offer
27 to sell or offer to buy through the use or medium of any
28 prospectus or otherwise any security, unless a registration

1 statement has been filed with the Commission as to such
2 security, or while the registration statement is the subject of a
3 refusal order or stop order or (prior to the effective date of the
4 registration statement) any public proceeding or examination
5 under Section 8 of the Securities Act [15 U.S.C. § 77h].

6 **II.**

7 IT IS FURTHER ORDERED that defendant Williams and his agents,
8 servants, employees, attorneys, and all persons in active concert or participation
9 with them who receive actual notice of this Final Judgment by personal service or
10 otherwise are permanently restrained and enjoined from violating Section 15(a) of
11 the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78o(a)] by
12 making use of the mails or any means or instrumentality of interstate commerce to
13 effect any transaction, or to induce or attempt to induce the purchase or sale of, any
14 security, without being registered as a broker or dealer in accordance with Section
15 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

16 **III.**

17 IT IS FURTHER ORDERED that defendant Williams is permanently barred
18 from participating in an offering of penny stock, including engaging in activities
19 with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or
20 attempting to induce the purchase or sale of any penny stock. A penny stock is any
21 equity security that has a price of less than five dollars, except as provided in Rule
22 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

23 **IV.**

24 IT IS FURTHER ORDERED that defendant Williams is liable for
25 disgorgement of \$299,628, representing profits gained as a result of the conduct
26 alleged in the Complaint, together with pre-judgment interest thereon in the
27 amount of \$14,787, for a total of \$314,415. Based on Williams’ sworn
28 representations in his Statement of Financial Condition dated December 31, 2011,

1 and other documents and information submitted to the Commission, however, the
2 Court is not ordering Williams to pay a civil penalty and payment of the
3 disgorgement and pre-judgment interest thereon is waived. The determination not
4 to impose a civil penalty and to waive payment of the disgorgement and pre-
5 judgment interest is contingent upon the accuracy and completeness of Williams'
6 Statement of Financial Condition. If at any time following the entry of this Final
7 Judgment the Commission obtains information indicating that Williams'
8 representations to the Commission concerning his assets, income, liabilities, or net
9 worth were fraudulent, misleading, inaccurate, or incomplete in any material
10 respect as of the time such representations were made, the Commission may, at its
11 sole discretion and without prior notice to Williams, petition the Court for an order
12 requiring Williams to pay the unpaid portion of the disgorgement, pre-judgment
13 and post-judgment interest thereon, and the maximum civil penalty allowable
14 under the law. In connection with any such petition, the only issue shall be
15 whether the financial information provided by Williams was fraudulent,
16 misleading, inaccurate, or incomplete in any material respect as of the time such
17 representations were made. In its petition, the Commission may move this Court
18 to consider all available remedies, including, but not limited to, ordering Williams
19 to pay funds or assets, directing the forfeiture of any assets, or sanctions for
20 contempt of this Final Judgment. The Commission may also request additional
21 discovery. Defendant Williams may not, by way of defense to such petition: (1)
22 challenge the validity of the Consent or this Final Judgment; (2) contest the
23 allegations in the Complaint filed by the Commission; (3) assert that payment of
24 disgorgement, pre-judgment and post-judgment interest or a civil penalty should
25 not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-
26 judgment interest; (5) contest the imposition of the maximum civil penalty
27 allowable under the law; or (6) assert any defense to liability or remedy, including,
28 but not limited to, any statute of limitations defense.

1 **V.**

2 IT IS FURTHER ORDERED that the Consent of Defendant Carlton L.
3 Williams is incorporated herein with the same force and effect as if fully set forth
4 herein, and that Williams shall comply with all of the undertakings and agreements
5 set forth therein.

6 **VI.**

7 IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this
8 matter for the purposes of enforcing the terms of this Final Judgment.

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10 IT IS SO ORDERED.

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13 DATED: February 15, 2012

David O. Carter

14 HON. DAVID O. CARTER
15 UNITED STATES DISTRICT JUDGE
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