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

13 SECURITIES AND EXCHANGE
14 COMMISSION,

15 Plaintiff,

16 vs.

17 JERRY L. AUBREY, TIMOTHY J.
AUBREY, BRIAN S. CHERRY,
18 AARON M. GLASSER,

19 Defendants.

Case No. SACV 11-1564 JVS (RNBx)

**FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT TIMOTHY J.
AUBREY**

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1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant, Timothy J. Aubrey, having filed an answer to the Complaint; consented
3 to the Court’s jurisdiction over Defendant and the subject matter of this action;
4 consented to entry of this Final Judgment without admitting or denying the
5 allegations of the Complaint (except as to jurisdiction); waived findings of fact and
6 conclusions of law; and waived any right to appeal from this Final Judgment.

7 **I.**

8 IT IS ORDERED, ADJUDGED, AND DECREED that Timothy J. Aubrey
9 (“Aubrey”) and his agents, servants, employees, attorneys, and all persons in active
10 concert or participation with them who receive actual notice of this Final Judgment
11 by personal service or otherwise are permanently restrained and enjoined from
12 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
13 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
14 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
15 interstate commerce, or of the mails, or of any facility of any national securities
16 exchange, in connection with the purchase or sale of any security:

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

24 **II.**

25 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Aubrey
26 and his agents, servants, employees, attorneys, and all persons in active concert or
27 participation with them who receive actual notice of this Final Judgment by
28 personal service or otherwise are permanently restrained and enjoined from

1 violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”), 15
2 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or
3 instruments of transportation or communication in interstate commerce or by use
4 of the mails, directly or indirectly:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to obtain money or property by means of any untrue statement of a
7 material fact or any omission of a material fact necessary in order to
8 make the statements made, in light of the circumstances under which
9 they were made, not misleading; or
- 10 (c) to engage in any transaction, practice, or course of business which
11 operates or would operate as a fraud or deceit upon the purchaser.

12 **III.**

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Aubrey
14 and his agents, servants, employees, attorneys, and all persons in active concert or
15 participation with them who receive actual notice of this Final Judgment by
16 personal service or otherwise are permanently restrained and enjoined from
17 violating Section 5 of the Securities Act, 15 U.S.C. § 77e, by, directly or indirectly,
18 in the absence of any applicable exemption:

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

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

7 **IV.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Aubrey
9 and his agents, servants, employees, attorneys, and all persons in active concert or
10 participation with them who receive actual notice of this Final Judgment by
11 personal service or otherwise are permanently restrained and enjoined from
12 violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C. §
13 78o(a), which makes it unlawful for any broker or dealer which is either a person
14 other than a natural person or a natural person, to make use of the mails or any
15 means or instrumentality of interstate commerce to effect any transactions in, or to
16 induce or attempt to induce the purchase or sale of, any security (other than an
17 exempted security or commercial paper, bankers' acceptances, or commercial bills)
18 unless such broker or dealer is registered in accordance with subsection (b) of
19 Section 15 of the Exchange Act, 15 U.S.C. § 78o(b).

20 **V.**

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Aubrey
22 is liable for disgorgement of \$556,215, representing profits gained as a result of the
23 conduct alleged in the Complaint, together with prejudgment interest thereon in the
24 amount of \$224,513.47. Aubrey shall also be liable to pay a civil penalty in the
25 amount of \$130,000 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §
26 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Aubrey
27 shall satisfy these obligations by paying a total of \$910,728.47 within fourteen
28 days after entry of this Final Judgment.

1 Aubrey may transmit payment electronically to the Commission, which will
2 provide detailed ACH transfer/Fedwire instructions upon request. Payment may
3 also be made directly from a bank account or by credit or debit card via Pay.gov
4 through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Aubrey
5 may also pay by certified check, bank cashier's check, or United States postal
6 money order payable to the Securities and Exchange Commission, which shall be
7 delivered or mailed to:

8 Enterprise Services Center
9 Accounts Receivable Branch
10 6500 South MacArthur Boulevard
11 Oklahoma City, OK 73169

12 and shall be accompanied by a letter identifying the case title, civil action number,
13 and name of this Court; Aubrey as a defendant in this action; and specifying that
14 payment is made pursuant to this Final Judgment.

15 Aubrey shall simultaneously transmit photocopies of evidence of payment
16 and case identifying information to the Commission's counsel in this action. By
17 making this payment, Aubrey relinquishes all legal and equitable right, title, and
18 interest in such funds and no part of the funds shall be returned to Aubrey. The
19 Commission shall send the funds paid pursuant to this Final Judgment to the
20 United States Treasury.

21 The Commission may enforce the Court's judgment for disgorgement and
22 prejudgment interest by moving for civil contempt (and/or through other collection
23 procedures authorized by law) at any time after 14 days following entry of this
24 Final Judgment. Aubrey shall pay post judgment interest on any delinquent
25 amounts pursuant to 28 U.S.C. § 1961.

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1 **VI.**

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

6 **VII.**

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

10 **VIII.**

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

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15 Dated: August 06, 2012



16 HONORABLE JAMES V. SELNA
17 UNITED STATES DISTRICT JUDGE
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