

JS-6

1 JOHN B. BULGOZDY, Cal. Bar No. 219897
Email: bulgozdyj@sec.gov
2 BERNARD B. SMYTH III, Cal. Bar. No. 217741
Email: smythb@sec.gov

3 Attorneys for Plaintiff
Securities and Exchange Commission
4 Michele Wein Layne, Regional Director
Lorraine Echavarria, Associate Regional Director
5 John W. Berry, Regional Trial Counsel
5670 Wilshire Boulevard, 11th Floor
6 Los Angeles, California 90036
Telephone: (323) 965-3998
7 Facsimile: (323) 965-3908

8
9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**

11 SECURITIES AND EXCHANGE
COMMISSION,

12 Plaintiff,

13 vs.

14 STEVEN J. HARROLD,

15 Defendant.
16

Case No. CV 12-1959-GW(JCx)

**FINAL JUDGMENT AS TO
DEFENDANT STEVEN J.
HARROLD**

17
18
19
20
21
22
23
24
25
26
27
28

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

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
9 and Defendant's 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,
26 pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)],
27 Defendant is prohibited from acting as an officer or director of any issuer that has a
28 class of securities registered pursuant to Section 12 of the Exchange Act [15

1 U.S.C. § 781] or that is required to file reports pursuant to Section 15(d) of the
2 Exchange Act [15 U.S.C. § 78o(d)].

3 **III.**

4 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
5 Defendant is liable for disgorgement of \$86,850, representing profits gained as a
6 result of the conduct alleged in the Complaint, together with prejudgment interest
7 thereon in the amount of \$8,954.22, and a civil penalty in the amount of \$86,850
8 pursuant to Section 21A of the Exchange Act [15 U.S.C. § 78u-1]. Defendant shall
9 satisfy this obligation by paying \$182,654.22 to the Securities and Exchange
10 Commission pursuant to the terms of the payment schedule set forth in paragraph
11 IV below after entry of this Final Judgment.

12 Defendant may transmit payment electronically to the Commission, which
13 will provide detailed ACH transfer/Fedwire instructions upon request. Payment
14 may also be made directly from a bank account via Pay.gov through the SEC
15 website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by
16 certified check, bank cashier's check, or United States postal money order payable
17 to the Securities and Exchange Commission, which shall be delivered or mailed to

18 Enterprise Services Center
19 Accounts Receivable Branch
20 6500 South MacArthur Boulevard
21 Oklahoma City, OK 73169

22 and shall be accompanied by a letter identifying the case title, civil action number,
23 and name of this Court; Harrold's name as a defendant in this action; and
24 specifying that payment is made pursuant to this Final Judgment.

25 Defendant shall simultaneously transmit photocopies of evidence of
26 payment and case identifying information to the Commission's counsel in this
27 action. By making this payment, Defendant relinquishes all legal and equitable
28 right, title, and interest in such funds and no part of the funds shall be returned to

1 Defendant. The Commission shall send the funds paid pursuant to this Final
2 Judgment to the United States Treasury.

3 The Commission may enforce the Court's judgment for disgorgement and
4 prejudgment interest by moving for civil contempt (and/or through other collection
5 procedures authorized by law). Defendant shall pay post judgment interest on any
6 delinquent amounts pursuant to 28 U.S.C. § 1961.

7 **IV.**

8 Harrold shall pay the total of disgorgement, prejudgment interest, and
9 penalty due of \$182,654.22 in four (4) installments to the Commission according
10 to the following schedule: (1) \$45,663.72 within ten (10) days of entry of this
11 Final Judgment; (2) \$45,663.50 within 60 days of entry of this Final Judgment; (3)
12 \$45,663.50 within 120 days of entry of this Final Judgment; and (4) \$45,663.50
13 plus any outstanding post judgment interest within 180 days of entry of this Final
14 Judgment. Payments shall be deemed made on the date they are received by the
15 Commission and shall be applied first to post judgment interest, which accrues
16 pursuant to 28 U.S.C. § 1961 on any unpaid amounts due after 14 days of the entry
17 of Final Judgment. Prior to making the final payment set forth herein, Harrold
18 shall contact the staff of the Commission for the amount due for the final payment.

19 If Harrold fails to make any payment by the date agreed and/or in the
20 amount agreed according to the schedule set forth above, all outstanding payments
21 under this Final Judgment, including post-judgment interest, minus any payments
22 made, shall become due and payable immediately at the discretion of the staff of
23 the Commission without further application to the Court.

24 **V.**

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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.

IT IS SO ORDERED.

Dated: January 22, 2013_



THE HON. GEORGE H. WU
UNITED STATES DISTRICT JUDGE