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FILED
CLERK, U.S. DISTRICT COURT
OCT 10 2003
DISTRICT OF CALIFORNIA
DEPUTY
SCANNED

ENTERED
CENTRAL DISTRICT OF CALIFORNIA
OCT 14 2003
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

2003 SEP 30
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
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BY: *[Signature]*

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

LACV03-7012 MMM PJWx

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

PAUL JOSEPH SHEEHAN dba PAUL J.
SHEEHAN & ASSOCIATES,

Defendant.

Case No.

**[PROPOSED] FINAL JUDGMENT
OF PERMANENT INJUNCTION
AND OTHER RELIEF AGAINST
PAUL JOSEPH SHEEHAN dba
PAUL J. SHEEHAN &
ASSOCIATES**

19 Plaintiff Securities and Exchange Commission ("Commission"); having
20 filed and served upon Defendant Paul Joseph Sheehan dba Paul J. Sheehan &
21 Associates ("Sheehan") a Summons and Complaint in this action; Sheehan having
22 admitted service upon him of the Summons and Complaint in this action and the
23 jurisdiction of this Court over him and over the subject matter of this action;
24 having been fully advised and informed of his right to a judicial determination of
25 this matter; having waived the entry of findings of fact and conclusions of law as
26 provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to
27 the entry of this Final Judgment Of Permanent Injunction And Other Relief
28 Against Paul Joseph Sheehan dba Paul J. Sheehan & Associates ("Judgment")

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1 without admitting or denying the allegations in the Complaint, except as
2 specifically set forth in the Consent Of Defendant Paul Joseph Sheehan dba Paul J.
3 Sheehan & Associates To Entry Of Final Judgment Of Permanent Injunction And
4 Other Relief ("Consent"); no notice of hearing upon the entry of this Judgment
5 being necessary; and this Court being fully advised:

6 **I.**

7 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Sheehan
8 and his agents, servants, employees and attorneys, and those persons in active
9 concert or participation with them who receive actual notice of this Judgment by
10 personal service or otherwise, are permanently restrained and enjoined from,
11 directly or indirectly, in connection with the purchase or sale of any security, by
12 the use of any means or instrumentality of interstate commerce, or of the mails, or
13 of any facility of any national securities exchange:

14 A. employing any device, scheme, or artifice to defraud;

15 B. making any untrue statement of a material fact or omitting to state a
16 material fact necessary in order to make the statements made, in the
17 light of the circumstances under which they were made, not
18 misleading; or

19 C. engaging in any act, practice, or course of business which operates or
20 would operate as a fraud or deceit upon any person;

21 in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange
22 Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

23 **II.**

24 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sheehan
25 and his agents, servants, employees and attorneys, and those persons in active
26 concert or participation with them who receive actual notice of this Judgment by
27 personal service or otherwise, are permanently restrained and enjoined from,
28 directly or indirectly, by use of the mails or any means or instrumentality of

1 interstate commerce:

2 A. employing any device, scheme, or artifice to defraud any client or
3 prospective client; or

4 B. engaging in any transaction, practice, or course of business which
5 operates as a fraud or deceit upon any client or prospective client;

6 in violation of Section 206(1) or Section 206(2) of the Investment Advisers Act of
7 1940 ("Advisers Act"), 15 U.S.C. §§ 80b-6(1) & 80b-6(2).

8 **III.**

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sheehan
10 and his agents, servants, employees and attorneys, and those persons in active
11 concert or participation with them who receive actual notice of this Judgment by
12 personal service or otherwise, are permanently restrained and enjoined from
13 willfully making any untrue statement of a material fact in any registration
14 application or report filed with the Commission under Section 203 or 204 of the
15 Advisers Act, 15 U.S.C. §§ 80b-3 & 80b-4, or willfully omitting to state in any
16 such application or report any material fact which is required to be stated therein,
17 in violation of Section 207 of the Advisers Act, 15 U.S.C. § 80b-7.

18 **IV.**

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court
20 retains jurisdiction to determine the appropriateness and amounts of disgorgement,
21 prejudgment interest and a civil penalty. Prejudgment interest shall be calculated
22 pursuant to 28 U.S.C. § 1961 to the date the judgment fixing the amount of
23 disgorgement is entered. Sheehan shall not raise as a defense that he is not liable
24 for the payment of such disgorgement or for a civil penalty, if any, because he did
25 not violate one or more of the provisions of the Exchange Act and Exchange Act
26 Rule or the Advisers Act set forth in this Judgment. Solely for the purposes of
27 determining the appropriateness and amounts of disgorgement and a civil penalty,
28 the facts alleged in the Commission's Complaint are accepted as and deemed true

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1 by the Court.

2 V.

3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
4 provisions of the Consent filed concurrently with this Judgment are incorporated
5 herein with the same force and effect as if fully set forth herein and that Sheehan
6 shall comply with his Consent.

7 VI.

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that during
9 the pendency of this action, Sheehan shall remain subject to the discovery
10 provisions of the Federal Rules of Civil Procedure which apply to parties, and, in
11 addition, that Sheehan agrees and undertakes, without service of a subpoena, to
12 appear for his deposition or to testify as a witness at any trial of this action or at
13 any related proceeding. None of the foregoing shall be deemed to constitute a
14 waiver of Sheehan's Fifth Amendment privilege against self-incrimination.
15 Failure to comply will subject Sheehan to the remedies and sanctions set forth in
16 Rule 37 of the Federal Rules of Civil Procedure and all other available remedies.

17 VII.

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
19 Court shall retain jurisdiction over this action for all purposes, including
20 implementing and carrying out the terms of this Judgment and all other orders
21 which may be entered herein, to resolve the Commission's pending claims against
22 Sheehan for disgorgement together with prejudgment interest and for civil
23 penalties, and to entertain any suitable application or motion for additional relief
24 within the jurisdiction of this Court.

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VIII.

There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Judgment.

DATED: OCT 07 2003,

Margaret M. Morrow
UNITED STATES DISTRICT JUDGE

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