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3:03-CV-02178 SECURITIES V. MUTH
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FILED
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 CLERK, U.S. DISTRICT COURT
 SOUTHERN DISTRICT OF CALIFORNIA
 DEPUTY

**UNITED STATES DISTRICT COURT
 SOUTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
 COMMISSION,

Plaintiff,

v.

STEVEN E. MUTH and
 DOOR CHAIR, LTD.,

Defendants.

Case No. 03 CV 2178 WQH (JFS)

**JUDGMENT OF
 PERMANENT INJUNCTION AND
 OTHER RELIEF AGAINST
 DEFENDANT STEVEN E. MUTH**

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Steven E. Muth ("Muth") a Summons and Complaint in this action; Muth having admitted service upon him of the Summons and Complaint in this action and the jurisdiction of this Court over him and over the subject matter of this action; having been fully advised and informed of his right to a judicial determination of this matter; having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to the entry of this Judgment Of Permanent Injunction And Other Relief Against Steven E. Muth ("Judgment")

CR

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ENTERED ON 8/9/04

1 without admitting or denying the allegations in the Complaint, except as
2 specifically set forth herein and in the Consent Of Steven E. Muth To Entry Of
3 Judgment Of Permanent Injunction And Other Relief ("Consent"); no notice of
4 hearing upon the entry of this Judgment being necessary; and this Court being
5 fully advised:

6 I.

7 IT HEREBY ORDERED, ADJUDGED AND DECREED that Muth and his
8 agents, servants, employees, and all persons in active concert or participation with
9 any of them, who receive actual notice of this Judgment by personal service or
10 otherwise, and each of them, are permanently restrained and enjoined from, directly
11 or indirectly, in the offer or sale of the securities of any issuer, by the use of any
12 means or instruments of transportation or communication in interstate commerce or
13 by the use of the mails:

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

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

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

21 in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

22 II.

23 IT IS ORDERED, ADJUDGED AND DECREED that Muth and his
24 agents, servants, employees and attorneys, and all persons in active concert or
25 participation with any of them, who receive actual notice of this Judgment by
26 personal service or otherwise, and each of them, are permanently restrained and
27 enjoined from, directly or indirectly, in connection with the purchase or sale of any
28 security, by the use of any means or instrumentality of interstate commerce, or of the

1 mails, or of any facility of any national securities exchange:

- 2 A. employing any device, scheme, or artifice to defraud;
- 3 B. making any untrue statement of a material fact or omitting to state a
4 material fact necessary in order to make the statements made, in the light
5 of the circumstances under which they were made, not misleading; or
- 6 C. engaging in any act, practice, or course of business which operates or
7 would operate as a fraud or deceit upon any person;

8 in violation of Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C.
9 § 78j(b) (the "Exchange Act"), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

10 III.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that the
12 Court retains jurisdiction to determine appropriate amounts of disgorgement,
13 prejudgment interest, and civil penalties that shall be paid by Muth for the conduct
14 alleged in the Commission's Complaint. Prejudgment interest shall be calculated
15 pursuant to 28 U.S.C. § 1961 based on the date of entry of the order fixing the
16 amount of disgorgement. In connection with any hearing to determine the
17 appropriate amounts of disgorgement and civil penalties, Muth shall not raise as a
18 defense that he is not liable for payment of disgorgement or civil penalties because
19 he did not violate the provisions of the Securities Act, the Exchange Act, or rules
20 thereunder as set forth in the Complaint. Solely for the purposes of determining
21 the amounts of disgorgement and civil penalties, the Court shall accept and deem
22 as true the facts alleged in the Commission's Complaint. Muth shall not be
23 entitled to a trial by jury for purposes of determining the appropriate amounts of
24 disgorgement or civil penalties.

25 IV.

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
27 provisions of the Consent filed concurrently with this Judgment are incorporated
28 herein with the same force and effect as if fully set forth herein and that Muth shall

1 comply with his Consent.

2 V.

3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
4 Court shall retain jurisdiction over this action for all purposes, including
5 implementing and carrying out the terms of this Judgment and all other orders
6 which may be entered herein, to resolve the Commission's pending claims against
7 Muth for disgorgement, prejudgment interest, and civil penalties, and to entertain
8 any suitable application or motion for additional relief within the jurisdiction of
9 this Court.

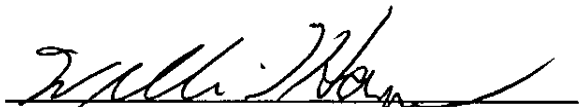
10 VI.

11 IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED
12 that during the pendency of this action against any defendant, Muth shall remain
13 subject to the discovery provisions of the Federal Rules of Civil Procedure which
14 apply to parties, and, in addition, that Muth agrees and undertakes, without service
15 of a subpoena, to appear for his deposition or to testify as a witness at any trial of
16 this action or at any related proceeding. Failure to comply with the foregoing will
17 subject Muth to the remedies and sanctions set forth in Rule 37 of the Federal
18 Rules of Civil Procedure and all other available remedies.

19 VII.

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

23
24 DATED: 8/5/04

25 
26 HON. WILLIAM Q. HAYES
27 UNITED STATES DISTRICT JUDGE
28

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On July 30, 2004, I caused to be delivered the document entitled **[PROPOSED] JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT STEVEN E. MUTH** upon the party to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee.

FEDERAL EXPRESS :By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

FAX (BY AGREEMENT ONLY): By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

(Federal) I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made. I declare under penalty of perjury that the foregoing is true and correct.

Date: July 30, 2004

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 SEC v. STEVEN E. MUTH, et al.
2 **United States District Court - Southern District of California**
3 **Case No. 03-CV-2178 WQH (JFS)**
 (LA-2362)

4 SERVICE LIST

5
6 Steven E. Muth
7 4226 South Richfield Street
8 Aurora, CO 80013
9 *Pro Se*

10 Door Chair, Ltd.
11 c/o Steven E. Muth
12 4226 South Richfield Street
13 Aurora, CO 80013