

E-filing

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 8 UNITED STATES DISTRICT COURT  
 9 NORTHERN DISTRICT OF CALIFORNIA  
 10 SAN FRANCISCO DIVISION

12 SECURITIES AND EXCHANGE COMMISSION,

13 Plaintiff,

14 vs.

15 THE ROSE FUND, LLC, THE ROSE FUND, INC.,  
 TRF HOLDINGS, INC., MICHAEL ALEXANDER,  
 16 PAUL EDWARD NELSON, and WILLIAM  
 WRIGHT,

17 Defendants,

18 and

19 ROSE COLLECTIONS, INC., PACIFIC VIDEO  
 20 NETWORK, INC., RESORT MANAGEMENT CO.,  
 INC., WEB INVENTIONS, INC., WHO BANGING,  
 21 INC., and YAE, INC.,

22 Relief Defendants

Case No. C 03-4593 WHA

~~[PROPOSED]~~ JUDGMENT OF  
 PERMANENT INJUNCTION AND OTHER  
 RELIEF AS TO WILLIAM WRIGHT

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1 The Securities and Exchange Commission filed a Complaint and Defendant William  
2 Wright ("Defendant") entered a general appearance; consented to the Court's jurisdiction over  
3 Defendant and the subject matter of this action; consented to entry of this Partial Judgment without  
4 admitting or denying the allegations of the Complaint (except as stated in the Stipulation and Consent  
5 by Defendant William Wright to Entry of Judgment of Permanent Injunction and Other Relief  
6 ("Consent")); waived findings of fact and conclusions of law; and waived any right to appeal from  
7 this judgment.

8 Defendant, by the Consent, has agreed to the entry of this Judgment of Permanent Injunction  
9 and Other Relief ("Judgment"). This Court having accepted such Consent and this Court having  
10 jurisdiction over the Defendant and the subject matter hereof, and the Court being fully advised in the  
11 premises:

12 I.

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

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

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2 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and  
3 Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation  
4 with them who receive actual notice of this Final Judgment by personal service or otherwise are  
5 permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. §  
6 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or  
7 communication in interstate commerce or by use of the mails, directly or indirectly:

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

14 III.

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

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

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

5 IV.

6 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is  
7 liable for disgorgement in an amount to be determined by the parties, together with prejudgment  
8 interest thereon calculated at the rate established by 28 U.S.C. § 1961. In the event the parties do not  
9 agree upon the disgorgement amount, the Court will determine the appropriate amount of  
10 disgorgement in further proceedings on the record.

11 V.

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a  
13 civil penalty pursuant to the provisions of Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and  
14 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The amount of the penalty shall be  
15 determined by agreement of the parties, or, in the event the parties do not agree upon the penalty  
16 amount, the Court will determine the appropriate penalty, if any, in further proceedings on the record.

17 VI.

18 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Commission may by  
19 motion propose a plan to distribute the disgorgement and/or penalty paid by Defendant into a fund  
20 (the "Fund") subject to the Court's approval. Such a plan may provide that Fund shall be distributed  
21 pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.  
22 Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil  
23 penalties pursuant to this Judgment shall be treated as penalties paid to the government for all  
24 purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant  
25 shall not, in any Related Investor Action, benefit from any offset or reduction of any investor's claim  
26 by the amount of any Fair Fund distribution to such investor in this action that is proportionately  
27 attributable to the civil penalty paid by Defendant ("Penalty Offset"). If the court in any Related  
28 Investor Action grants such an offset or reduction, Defendant shall, within 30 days after entry of a

1 final order granting the offset or reduction, notify the Commission's counsel in this action and pay  
2 the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission  
3 directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to  
4 change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a  
5 "Related Investor Action" means a private damages action brought against Defendant by or on behalf  
6 of one or more investors based on substantially the same facts as alleged in the Complaint in this  
7 action.

8 VII.

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

12 VIII.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, in the event of a judicial  
14 determination of disgorgement and penalties as set forth above, Defendant shall not assert that he did  
15 not violate the provisions of the Securities Act or Exchange Act or otherwise contest the allegations  
16 of the complaint, but instead shall be deemed to have admitted the allegations of the complaint for  
17 purposes of that determination.

18 IX.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
20 jurisdiction of this matter for all purposes, including to set the amount of disgorgement and penalties  
21 and to implement and enforce the terms of this Judgment and other orders and decrees that may be  
22 entered, and to grant other such relief as this Court may deem necessary and just.

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X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Judgment may be served upon defendants in person or by mail either by the United States Marshall, the Clerk of the Court, or any member of the staff of the Commission.

Dated: 12-10, 2003

*WMB*

UNITED STATES DISTRICT JUDGE