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LUTHER J. THOMAS, Clerk
By: *[Signature]*
Deputy Clerk

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SEP 21 2004

LUTHER J. THOMAS, Clerk
By: *[Signature]*
Deputy Clerk

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

MOBILE BILLBOARDS OF AMERICA,
INC., INTERNATIONAL PAYPHONE
COMPANY, RESERVE GUARANTY
TRUST, MICHAEL A. LOMAS and
MICHAEL L. YOUNG,

Defendants.

CIVIL ACTION FILE

NO. 1:04-CV-2763

WRE

**ORDER GRANTING PERMANENT INJUNCTIONS,
FREEZING ASSETS AND ORDERING OTHER ANCILLARY
RELIEF AS TO DEFENDANT MICHAEL A. LOMAS**

The Plaintiff Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant Michael A. Lomas ("Lomas") having entered a general appearance; consented to the Court's jurisdiction over Defendant Lomas and the subject matter of this action; consented to entry of this Order Granting Permanent Injunctions, Freezing Assets and Ordering Other Ancillary Relief

(“Lomas Order”) without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law with respect to this Order; and waived any right to appeal from this Order:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Lomas, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Lomas Order by personal service or otherwise are permanently restrained and enjoined from, directly or indirectly,

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise;
- (b) carrying securities or causing such securities to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale; and
- (c) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell

or offer to buy securities, through the use or medium of any prospectus or otherwise, without a registration statement having been filed with the Commission as to such securities,

in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”)[15 U.S.C. §§ 77e(a) and 77e(c)].

II.

IT IS FURTHER ORDERED that Defendant Lomas, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him, who receive actual notice of this Lomas Order by personal service or otherwise, in connection with the purchase or sale or in the offer or sale of securities, by use of any means or instrumentalities of interstate commerce or any means or instruments of transportation or communication in interstate commerce, or by the mails or any facility of any national securities exchange, be, and hereby are, permanently enjoined and restrained from, directly or indirectly:

- (a) employing any device, scheme or artifice to defraud;
- (b) engaging in any act, practice, transaction or course of business which operates or would operate as a fraud or deceit upon any person;

- (c) obtaining money or property by means of any untrue statement of a material fact, or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (d) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading,

in violation of Section 17(a) of the Securities Act, 15 U.S.C. 77q(a), Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. 78j(b), and Rule 10b-5, 17 C.F.R. 240.10b-5, thereunder.

III.

IT IS FURTHER ORDERED that, Defendant Lomas, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them and each of them who receive actual notice of this Order by personal service or otherwise, are permanently restrained and enjoined from violating or aiding and abetting any violation of Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by knowingly providing substantial assistance to any entity that, by using any means or instrumentality of interstate commerce or of the mails, engages in

business as a broker or dealer and effects transactions in, or induces or attempts to induce the purchase or sale of securities, without registering with the Commission as a broker or dealer.

IV.

IT IS FURTHER ORDERED that, pending entry of the Final Judgment in this matter, all assets of, or under the control of, Defendant Lomas, or any agent, are frozen, except as otherwise specified herein. Pending entry of the Final Judgment in this case, Defendant Lomas, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, except any trustee, receiver or special fiscal agent appointed by this Court, be, and hereby are, restrained from, directly and indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets and property owned by, controlled by, or in the possession of said defendant. The freeze shall include but not be limited to those funds located in any bank accounts, brokerage accounts, or any other accounts or property of Defendant Lomas. Despite the foregoing, defendant Lomas may expend \$10,000 per month from his assets as living expenses. Lomas may obtain employment in the future and any earnings from that employment shall be segregated from any frozen accounts and shall not be

subject to this freeze, provided that no employment or earnings may be derived from the other defendants in this case, or from any entity under their control. The following companies in which defendant Lomas holds an interest can operate in the ordinary course of their business and can use the revenue from their operations to pay their continuing ordinary business expenses, provided that no salary, withdrawals or payments in any form may be paid to the defendants, their families, agents, or other persons subject to their control. The identified companies shall provide the Court, the Receiver and the plaintiff with a monthly accounting. The companies subject to this provision are:

Valet and City Parking Services, LLC Long Beach, California	California Retail Management LLC Long Beach, California
F/S Worldwide Media and Communications Long Beach, California	Walker's By The Cup, LLC Long Beach, California
The Walker's Experience LLC Long Beach, California	Spa W, LLC Long Beach, California
P & P Steel, LLC Norco, California	KP Iron, Inc. Norco, California
Pike Amusement and Entertainment, LLC Long Beach, California	New York Retail Management, LLC New York, NY
California Ground Company, LLC	Walker Retail, LLC Long Beach, California

V.

IT IS FURTHER ORDERED that Defendant Lomas prepare and present to this Court and to the Commission an accounting of all funds he received pursuant to the conduct described in the Commission's Complaint and of the disposition and use of said proceeds through any transaction in an amount greater than \$4,999. This accounting shall include, but not be limited to, the total amount received from the conduct described in the complaint, the dates of receipt and a listing of all expenditures showing the amount and to whom paid and the date of payment. This accounting shall be submitted to this Court and served upon the Commission within 30 days from the date of entry of this Order. Nothing in this consent shall be construed to be a waiver of any privilege of any person, Constitutional or otherwise.

VI.

IT IS HEREBY ORDERED THAT, until further order of this Court, Defendant Lomas, and his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them who receive actual notice of this order by personal service, facsimile transmission or otherwise, and each of them, be and hereby are enjoined and restrained from

destroying, transferring or otherwise rendering illegible all books, records, papers, ledgers, accounts, statements and other documents employed in any of such defendants' business, which reflect the business activities of the defendants, or which reflect the transactions described in the Commission's complaint.

VII.

IT IS FURTHER ORDERED that the Commission may take expedited discovery as follows:

A. The Commission may take depositions upon oral examination subject to ten days notice prior to expiration of 30 days after service of the Summons and Complaint, pursuant to Rule 30(a) of the Federal Rules of Civil Procedure;

B. Pursuant to Rule 34 of the Federal Rules of Civil Procedure, upon request of the Commission, Defendant Lomas shall produce all documents within ten days of service of such request; and

1. All written responses to the Commission's requests for discovery under the Federal Rules of Civil Procedure shall be delivered to the Commission at 3475 Lenox Road N.E., Suite 1000, Atlanta, Georgia 30326-1232, or such other place as counsel for the Commission may direct, by the most expeditious means available.

Nothing in this consent shall be construed to be a waiver of any privilege of any person, Constitutional or otherwise.

VIII.

Upon motion of the Commission, the Court shall determine whether it is appropriate to order disgorgement of ill-gotten gains and/or a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and, if so, the amount(s) of the disgorgement and/or civil penalty. If disgorgement is ordered, Defendant Lomas shall pay prejudgment interest thereon, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). The Court may determine the issues raised in the motion on the basis of the allegations of the complaint, supplemented by testimony, affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

IX.

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

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes.

Dated: September 21, 2004


UNITED STATES DISTRICT JUDGE