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CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**
12 **SOUTHERN DIVISION**

FILED
CLERK, U.S. DISTRICT COURT
NOV 20 2006
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

14 **SECURITIES AND EXCHANGE**
15 **COMMISSION,**

16 Plaintiff,

17 vs.

18 **AIRTRAC, INC., CLARENCE**
19 **FRIEND, and CHRISTOPHER BRYAN,**

20 Defendants.

Case No.: SACV 06-0582-JVS (RNBx)

[PROPOSED] FINAL JUDGMENT AS TO
DEFENDANT CHRISTOPHER BRYAN

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THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

ENTERED - SOUTHERN DIVISION
CLERK, U.S. DISTRICT COURT
NOV 21 2006
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

13

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Christopher Bryan ("Defendant") having entered a general appearance;
3 consented to the Court's jurisdiction over Defendant and the subject matter of this
4 action; consented to entry of this Final Judgment without admitting or denying the
5 allegations of the Complaint (except as to jurisdiction); waived findings of fact and
6 conclusions of 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 HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
26 that Defendant and Defendant's agents, servants, employees, attorneys, and all
27 persons in active concert or participation with them who receive actual notice of
28 this Final Judgment by personal service or otherwise are permanently restrained

1 and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C.
2 § 77q(a)] in the offer or sale of any security by the use of any means or instruments
3 of transportation or communication in interstate commerce or by use of the mails,
4 directly or indirectly:

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

12 III.

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

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

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

7 IV.

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
9 that Defendant and Defendant's agents, servants, employees, attorneys, and all
10 persons in active concert or participated with them who receive actual notice of
11 this Final Judgment by personal service or otherwise are permanently restrained
12 and enjoined from violating Section 15(a) of the Exchange Act [15 U.S.C.
13 § 78o(a)] by, directly or indirectly, in the absence of any applicable exemption,
14 engaging in the business of a broker or a dealer by making use of the mails or any
15 means or instrumentality of interstate commerce to induce the purchase or sale of,
16 any security (in the absence of an applicable exemption), without being associated
17 with a broker-dealer that has been registered with the Commission.

18 V.

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
20 that Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest
21 thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act [15
22 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].
23 The Court shall determine the amounts of the disgorgement and civil penalty upon
24 motion of the Commission. Prejudgment interest shall be calculated from June 27,
25 2006, based on the rate of interest used by the Internal Revenue Service for the
26 underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In
27 connection with the Commission's motion for disgorgement and/or civil penalties,
28 and at any hearing held on such a motion: (a) Defendant will be precluded from

1 arguing that he did not violate the federal securities laws as alleged in the
2 Complaint; (b) Defendant may not challenge the validity of the Consent or this
3 Final Judgment; (c) solely for the purposes of such motion, the allegations of the
4 Complaint shall be accepted as and deemed true by the Court; and (d) the Court
5 may determine the issues raised in the motion on the basis of affidavits,
6 declarations, excerpts of sworn deposition or investigative testimony, and
7 documentary evidence, without regard to the standards for summary judgment
8 contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection
9 with the Commission's motion for disgorgement and/or civil penalties, the parties
10 may take discovery, including discovery from appropriate non-parties.

11 VI.

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

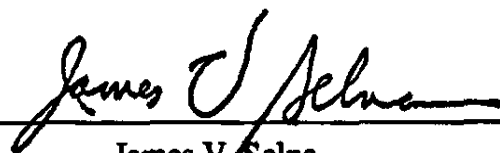
16 VII.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
18 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
19 of this Final Judgment.

20 XVI.

21 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
22 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
23 forthwith and without further notice.

24
25 Dated: 11/20/06

26 

27 James V. Selna

28 UNITED STATES DISTRICT JUDGE

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 November 16, 2006, I served the document entitled **[PROPOSED] FINAL JUDGMENT AS TO DEFENDANT CHRISTOPHER BRYAN** upon the parties 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.

FEDERAL EXPRESS BY AGREEMENT OF ALL PARTIES: 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: November 16, 2006


SONIA SALGADO

SEC v. AIRTRAC, INC., et al.

United States District Court – Central District of California – Southern Div.

Case No. SACV 06-0582 JVS (RNBx)

SERVICE LIST

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