

LUJGED

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U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF
LOS ANGELES

5 Local Counsel:
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7 Los Angeles, CA 90036-3648
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ENTERED
JAN 12 2001

CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA OFFICE

BY [Signature] UNITED STATES DISTRICT COURT DEPUTY

CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

FILED
JAN 12 2001
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA
BY [Signature] DEPUTY

13 SECURITIES AND EXCHANGE
COMMISSION,

14 Plaintiff,

15 vs

Case No. SACV-0421GLT (Eex)

16 MARK, Individually and d/b/a FINANCIAL
17 SOLUTIONS WEB,

18 Defendants.

Priority
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Closed
JS-5/JS-6
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20 **AGREED FINAL JUDGMENT**

21
22 Plaintiff Securities and Exchange Commission ("Commission"), having filed
23 its Complaint in this matter and defendant Mark Malatesta, Individually and doing
24 business as Financial Solutions Web ("Malatesta"), through his Stipulation and
25 Consent ("Consent"), having admitted service of the Complaint and waived service
26 of the summons, having admitted the jurisdiction of this Court over him, having
27 waived the entry of findings of facts and conclusions of law pursuant to Rule 52 of

28 Docketed

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AGREED FINAL JUDGMENT - 1

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1 the Federal Rules of Civil Procedure, having entered into his Consent voluntarily, no
2 threats, promises of immunity or assurances having been made by the commission
3 or by any of its member, officers, agents, or representatives to induce Malatesta to
4 enter into his Consent, having consented, without admitting or denying any of the
5 allegations in the Commission's Complaint, except as to jurisdiction as set forth
6 above, to entry without further notice of this Agreed Final Judgment ("Final
7 Judgment") enjoining defendant Malatesta from engaging in transactions, acts,
8 practices and courses of business which constitute and would constitute violations of
9 Section 17(b) of the Securities Act of 1933 (the "Securities Act"), and Section 10(b)
10 of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §§78j(b)],
11 and Rule 10b-5[17 C.F.R. §§240.10b-5], promulgated thereunder; and it further
12 appearing that this Court has jurisdiction over defendant Malatesta and over the
13 subject matter of this action and that no further notice of hearing for the entry of this
14 Final Judgment need be given; and that court being fully advised in the premises:

18 1 IT IS THEREFORE ORDERED, ADJUDGED AND DECREED
19 that defendant Malatesta, his agents, servants, employees, attorneys, and all other
20 persons in active concert or participation with him who receive actual notice of this
21 Final Judgment, by personal service or otherwise, be and hereby are permanently
22 enjoined from violating section 17(b) of the Securities Act [15 U.S.C. 77q(a)],
23 directly or indirectly, and are hereby permanently restrained and enjoined from the
24 use of any means or instruments of transportation or communication in interstate
25 commerce or by the use of the mails, to publish, give publicity to, or circulate any
26 notice, circular, advertisement, newspaper, article, letter, investment service, or
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1 communication which, though not purporting to offer a security for sale, describes
2 such security for a consideration which, though not purporting to offer a security for
3 sale, describes such security for a consideration received or to be received, directly
4 or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the
5 receipt, whether past and prospective, or such consideration and the amount thereof.
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7 2 IT IS THEREFORE ORDERED, ADJUDGED AND DECREED,
8 that defendant Malatesta and his officers, agents, servants, employees, attorneys, and
9 those persons in active concert or participation with him who receive actual notice of
10 this Final Judgment by personal service or otherwise, be and hereby are permanently
11 restrained and enjoined, from violating Section 10(b) of the Exchange Act [15 U.S.C.
12 §78j(b)] and Rule 10b-5 [17 C.F.R. §240.10b-5], promulgated thereunder, directly
13 or indirectly, in connection with the purchase or sale of securities, in the form of
14 common stock or any other security, from making use of any means or
15 instrumentalities of interstate commerce or of the mails, or any facility of any
16 national securities exchange
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19 (a) to employ any device, scheme or artifice to defraud;

20 (b) to make any untrue statement of a material fact or omit to
21 state a material fact necessary in order to make the statements made,
22 in the light of the circumstances under which they were made, not
23 misleading, or
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25 (c) to engage in any act, practice or course of business which
26 operates or would operate as a fraud or deceit upon any person
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1 3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that,
2 based upon defendant Malatesta's sworn representations in his Sworn Statement of
3 Financial Condition dated the 8th day of May, 2000, and submitted to the
4 Commission, the Commission is not seeking an order requiring Malatesta to pay a
5 civil money penalty pursuant to the provisions of Section 21(d)(3) of the Exchange
6 Act [15 U.S.C. §78u(d)(3)]. The determination not to impose a civil penalty is
7 contingent upon the accuracy and completeness of defendant Malatesta's Sworn
8 Statement of Financial Condition. If at any time following the entry of this Final
9 Judgment the commission obtains information indicating that defendant Malatesta's
10 representations to the Commission concerning his assets, income, liabilities or net
11 worth were fraudulent, misleading, inaccurate or incomplete in any material respect
12 as of the time such representations were made, the Commission may, at its sole
13 discretion and without prior notice to Malatesta, petition this Court for an order
14 requiring Malatesta to pay a civil penalty. In connection with any such petition, the
15 only issues shall be whether the financial information provided by defendant
16 Malatesta was fraudulent, misleading, inaccurate or incomplete in any material
17 respect as of the time such representations were made, and the amount of civil
18 penalty to be imposed. In its petition, the Commission may move this Court to
19 consider all available remedies, including, but not limited to, ordering defendant
20 Malatesta to turn over funds and assets, directing the forfeiture of any assets, or
21 sanctions for contempt of this Final Judgment, and the Commission may also request
22 additional discovery. Defendant Malatesta may not, by way of defense to such
23 petition, challenge the validity of his Consent or this Final Judgment, contest the
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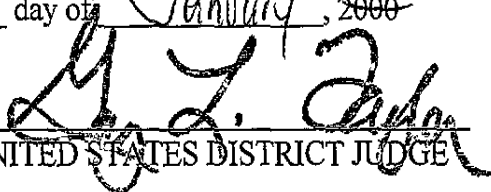
allegations in the Complaint filed by the Commission or contend that the payment of a civil penalty should not be ordered.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Consent filed herein be, and the same is hereby, incorporated in this Final Judgment with the same force and effect as if fully set forth herein

5. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this court shall retain jurisdiction of this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its Complaint in this action.

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

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

DATED and SIGNED this 12th day of January, 2001

UNITED STATES DISTRICT JUDGE

05-2001 07:41 FROM: LAW OFFICES

TO: 6179782700
949-369-5162

P. 003/003
P. 2

Jan 02 01 01:08p Mark Malatesta
16-16 FAX 8179782700

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1 APPROVED AS TO FORM AND SUBSTANCE:

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3 Mark Malatesta

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7 Harold R. Lofin, Jr.
8 Attorney for Plaintiff
9 Securities and Exchange Commission

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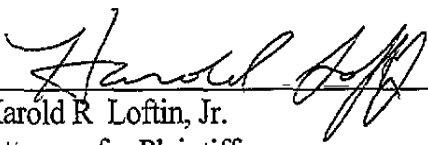
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4 Mark Malatesta

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Harold R. Loftin, Jr.
Attorney for Plaintiff
Securities and Exchange Commission

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