

1 SANDRA J HARRIS, Cal Bar # 134153
GREGORY C. GLYNN, Cal. Bar # 039999
2 KELLY BOWERS, Cal Bar # 164007
CLIFFORD C HYATT, Cal Bar # 196458
3 PATRICK O. HUNNIUS, Cal. Bar # 174633
EMILY A. BRECKENRIDGE, Cal Bar # 157050
4 VICTORIA A LEVIN, Cal Bar # 166616
SOLOMON R. MANGOLINI, Cal. Bar # 149811
5 DAVID J. VAN HAVERMAAT, Cal Bar # 175761

6 Attorneys for Plaintiff
Securities and Exchange Commission
7 Valerie Caproni, Regional Director
5670 Wilshire Boulevard, 11th Floor
8 Los Angeles, California 90036-3648
Phone (323) 965-3998
9 Fax: (323) 965-3908

FILED
CLERK, U.S. DISTRICT COURT
JUL 13 2001
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION BY DEPUTY
ENTERED
JUL 16 2001
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION
UNITED STATES DISTRICT COURT

Priority ✓
Send ✓
Enter ✓
Closed ✓
JS-5/JS-6 ✓
JS-2/JS-3 ✓
Scan Only ✓

FOR THE CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION

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CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES

11 SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,
12 vs,
13 MARK S. JAKOB,
14 Defendant
15

Case No. EDCV-00687 VAP (Mcx)

~~PROPOSED~~ FINAL JUDGMENT OF
PERMANENT INJUNCTION AND OTHER
RELIEF AGAINST DEFENDANT MARK
S. JAKOB

16 Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon
17 Defendant Mark S. Jakob ("Jakob") a Summons and Complaint in this matter and Jakob having
18 admitted service upon him of the Summons and Complaint in this action and the jurisdiction of this
19 Court over him and over the subject matter of this action; having been fully advised and informed of
20 his rights to a judicial determination of this matter, having waived the entry of findings of fact and
21 conclusions of law as provided by Rule 52 of the Rules of Civil Procedure; having consented to the
22 entry of this Final Judgment of Permanent Injunction and Other Relief Against Defendant Mark S.
23 Jakob ("Final Judgment") without admitting or denying the allegations in the Complaint, except as

✓ Docketed
✓ Copies / NTC Sent
✓ JS - 5 / JS - 6
— JS - 2 / JS - 3
— CLSD

ENTER ON TOLMS
JUL 16 2001

PROPOSED FINAL JUDGMENT

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1 specifically set forth in the Consent of Defendant Mark S Jakob to Entry of Final Judgment of
2 Permanent Injunction and Other Relief ("Consent"); and it appearing that no notice of hearing upon
3 the entry of this Final Judgment being necessary; and the Court being fully advised in the premises,
4 and there being no just reason for delay

5 I.

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

12 A. employing any device, scheme or artifice to defraud,

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

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

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

19 II.

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Jakob, and his agents,
21 servants, employees, attorneys, and those persons in active concert or participation with any of them,
22 who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them,
23 be and hereby are restrained and enjoined from, directly or indirectly, in connection with the purchase
24 or sale of any securities, by the use of any means or instrumentality of interstate commerce, or of the
25 mails, or of any facility of any national securities exchange

26 **

27 **

28 **

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

2 B making any untrue statement of a material fact or omitting to state a material fact
3 necessary in order to make the statements made, in the light of the circumstances under which they
4 were made, not misleading; or

5 C. engaging in any act, practice, or course of business which operates or would operate as
6 a fraud or deceit upon any person;
7 in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §
8 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

9 III

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Jakob shall pay
11 disgorgement in the amount of \$338,511 representing his gains and losses avoided from the conduct
12 alleged in the Complaint, plus pre-judgment interest thereon in the amount of \$14,460.23. Within
13 thirty (30) days of entry of this Final Judgment, these funds shall be deposited into the registry of the
14 Clerk of the Court for the Central District of California for safekeeping pending resolution of the
15 class action suit [Ronald Hart vs. Internet Wire, Inc., Bloomberg LP, CV-006571 MP] which, as it
16 relates to Jakob, is partially based on conduct alleged in the Commission's Complaint and is pending
17 in the Southern District of New York.

18 If the parties reach a settlement or a judgment is returned in favor of the plaintiffs in the class
19 action matter within two (2) years of the date of entry of this Final Judgment, then the funds shall be
20 transferred, upon approval of the Court, to the registry of the Clerk of the Court for the Southern
21 District of New York for distribution to the class, with the condition that none of these funds be used
22 to pay attorneys' fees. If a settlement is not reached between the parties or a judgment is not returned
23 in favor of the plaintiffs in this matter within two (2) years of the date this Final Judgment is entered,
24 then the funds held by the Clerk of the Court for the Central District of California shall be paid to the
25 Commission.

26 IV.

27 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Jakob shall pay to the
28 Commission for delivery to the United States Treasury, civil penalties in the amount of \$102,642,

1 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d) and Section 21(d)(3) of the
2 Exchange Act, 15 U.S.C. § 77u(d)(3). Said Penalty. (1) shall be paid by United States Postal Money
3 Order, Certified Check, bank cashier's check or bank money order; (2) shall be made payable to the
4 **United States Treasury**; (3) shall be hand-delivered or mailed to the Comptroller, Securities and
5 Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA
6 22312; and (4) shall be submitted under a cover letter that identifies Jakob as a Defendant in these
7 proceedings. A copy of this cover letter and check or money order shall be sent to Trial Counsel for
8 the Commission at the Pacific Regional Office, Securities and Exchange Commission, 5670 Wilshire
9 Boulevard, 11th Floor, Los Angeles, CA 90036.

10 V.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the provisions of the
12 Consent filed concurrently with this Final Judgment are incorporated herein with the same force and
13 effect as if fully set forth herein and that Defendant shall comply with his Consent

14 VI.

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain
16 jurisdiction over this action to implement and enforce the terms of the Final Judgment and other
17 decrees that may be entered herein and to grant such other relief as the Court may deem necessary
18 and just

19 * * * * *

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

22
23 DATED July 13, 2001

24 Virginia G. Phillips
UNITED STATES DISTRICT JUDGE

25 Presented by.

26 Solomon R. Mangolini
27 Solomon R. Mangolini
28 Attorneys for Plaintiff
Securities and Exchange Commission

CERTIFICATE OF SERVICE

1
2 I, Magnolia M. Marcelo, am over the age of 18 years, not a
3 party to the within action, and a citizen of the United States. My
4 business address is 5670 Wilshire Boulevard, 11th Floor, Los
5 Angeles, California 90036. On July 12, 2001, I served the
6 **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF**
7 **AGAINST DEFENDANT MARK S. JAKOB** by causing to mailed by U.S. Mail a
8 true and correct copy thereof in a sealed envelope, postage prepaid,
9 addressed to:

10
11 Joel Levine
12 A Professional Corporation
13 161000 Ventura Boulevard, Suite 500
14 Encino, CA 91436

15 I declare under penalty of perjury that the foregoing is true
16 and correct. Executed on 12th day of July, 2001 in Los Angeles,
17 California.

18 Dated: July 12, 2001

Magnolia M. Marcelo
Magnolia M. Marcelo