

1 SANDRA J. HARRIS, Cal. Bar # 134153  
KAREN MATTESON, Cal. Bar # 102103  
2 NICHOLAS S. CHUNG, Cal. Bar # 192784

3 Attorneys for Plaintiff  
Securities and Exchange Commission  
4 Valerie Caproni, Regional Director  
5 5670 Wilshire Boulevard, 11th Floor  
Los Angeles, California 90036-3648  
6 Telephone: (323) 965-3998  
Facsimile: (323) 965-3908

Send  
ENTER  
NOJSG

FILED  
CLERK, U.S. DISTRICT COURT  
2001  
MAR 12 2001  
ENTERED  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
BY [Signature] DEPUTY

7  
8  
9 UNITED STATES DISTRICT COURT  
10 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
11 WESTERN DIVISION  
12

12 SECURITIES AND EXCHANGE  
13 COMMISSION,

14 Plaintiff,

15 v.

16 DAVID J. NAUGHTON, STEPHEN R.  
17 KEENUM, MARK R. AVILA, STEPHEN R.  
RAWLINGS, RICHARD C. REINING, ADAM  
18 E. PECK, VICTOR R. GRAUAUG, RAFFI  
T. KING, CHARLES F. HAGEMANN,  
19 RONALD L. GAISER, JOSEPH L. HILL  
AND MICHAEL R. TOMPKINS,

20 Defendants.

Case No. CV-00-07531 R (Ex)

~~PROPOSED~~ FINAL JUDGMENT OF  
PERMANENT INJUNCTION AND OTHER  
RELIEF AGAINST DEFENDANT RONALD  
L. GAISER

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

21  
22 Plaintiff Securities and Exchange Commission ("Commission"),  
23 having filed and served upon Defendant Ronald L. Gaiser ("Gaiser") a  
24 Summons and Complaint in this action; Gaiser having admitted service  
25 upon him of the Summons and Complaint in this action and the  
26 jurisdiction of this Court over him and over the subject matter of  
27 this action; having been fully advised and informed of his right to  
28 a judicial determination of this action; having waived the entry of

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

MAR 13 2001

73

LOUDED

1 findings of fact and conclusions of law as provided by Rule 52 of  
2 the Federal Rules of Civil Procedure; having consented to the entry  
3 of this Final Judgment Of Permanent Injunction And Other Relief  
4 Against Defendant Ronald L. Gaiser ("Final Judgment"), without  
5 admitting or denying the allegations in the Complaint except as  
6 specifically set forth in the Consent Of Defendant Ronald L. Gaiser  
7 To Entry Of Final Judgment Of Permanent Injunction And Other Relief  
8 ("Consent"); and no notice of hearing upon the entry of this Final  
9 Judgment being necessary:

10

I.

11

12

13

14

15

16

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

17

18

19

20

21

A. making use of any means or instruments of transportation  
or communication in interstate commerce or of the mails to  
sell any securities, through the use or medium of any  
prospectus or otherwise, unless a registration statement  
is in effect as to such securities;

22

23

24

25

26

B. carrying or causing 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, any securities, unless a registration  
statement is in effect as to such securities; and

27

28

C. making use of any means or instruments of transportation  
or communication in interstate commerce or of the mails to

1 offer to sell or offer to buy, through the use or medium  
2 of any prospectus or otherwise, any securities, unless a  
3 registration statement has been filed with the Commission  
4 as to such securities, or while the registration statement  
5 is the subject of a refusal order or stop order or (prior  
6 to the effective date of the registration statement) any  
7 public proceeding or examination under Section 8 of the  
8 Securities Act [15 U.S.C. § 77h];  
9 in violation of Sections 5(a) and 5(c) of the Securities Act of 1933  
10 ("Securities Act") [15 U.S.C. §§ 77e(a) & 77e(c)].

11 **II.**

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
13 Gaiser and his agents, servants, employees and attorneys, and all  
14 persons in active concert or participation with any of them, who  
15 receive actual notice of this Final Judgment by personal service or  
16 otherwise, and each of them, are permanently restrained and enjoined  
17 from, directly or indirectly, in the offer or sale of any  
18 securities, by the use of any means or instruments of transportation  
19 or communication in interstate commerce or by the use of the mails:

- 20 A. employing any device, scheme or artifice to defraud;
- 21 B. obtaining money or property by means of any untrue  
22 statement of a material fact or any omission to state a  
23 material fact necessary in order to make the statements  
24 made, in the light of the circumstances under which they  
25 were made, not misleading; or
- 26 C. engaging in any transaction, practice, or course of  
27 business which operates or would operate as a fraud or  
28 deceit upon the purchaser;

1 in violation of Section 17(a) of the Securities Act [15 U.S.C. §  
2 77q(a)].

3 **III.**

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
5 Gaiser and his agents, servants, employees and attorneys, and all  
6 persons in active concert or participation with any of them, who  
7 receive actual notice of this Final Judgment by personal service or  
8 otherwise, and each of them, are permanently restrained and enjoined  
9 from, directly or indirectly, in connection with the purchase or  
10 sale of any security, by the use of any means or instrumentality of  
11 interstate commerce, or of the mails, or of any facility of any  
12 national securities exchange:

- 13 A. employing any device, scheme, or artifice to defraud;  
14 B. making any untrue statement of a material fact or  
15 omitting to state a material fact necessary in order to  
16 make the statements made, in the light of the  
17 circumstances under which they were made, not misleading;  
18 or  
19 C. engaging in any act, practice, or course of business  
20 which operates or would operate as a fraud or deceit upon  
21 any person;

22 in violation of Section 10(b) of the Securities Exchange Act of 1934  
23 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17  
24 C.F.R. § 240.10b-5].

25 **IV.**

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
27 Gaiser and his agents, servants, employees and attorneys, and all  
28 persons in active concert or participation with any of them, who

1 receive actual notice of this Final Judgment by personal service or  
2 otherwise, and each of them, are permanently restrained and enjoined  
3 from making use of the mails or any means or instrumentality of  
4 interstate commerce to effect any transactions in, or to induce or  
5 attempt to induce the purchase or sale of, any security without  
6 being registered as a broker or dealer pursuant to Section 15(b) of  
7 the Exchange Act [15 U.S.C. § 78o(b)], in violation of Section  
8 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

9 **V.**

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
11 Gaiser shall pay disgorgement in the amount of \$97,200 representing  
12 his gains from the conduct alleged in the Complaint, plus  
13 prejudgment interest thereon calculated pursuant to 28 U.S.C. §  
14 1961. Based upon Gaiser's sworn representations in his Statement of  
15 Financial Condition dated January 26, 2001, and submitted to the  
16 Commission, payment of all disgorgement and prejudgment interest  
17 thereon is waived. Additionally, based upon Gaiser's sworn  
18 representations in his Statement of Financial Condition, this Court  
19 is not ordering Gaiser to pay a civil penalty pursuant to Section  
20 20(d)(1) of the Securities Act [15 U.S.C. § 77t(d)(1)] and Section  
21 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

22 **VI.**

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the waiver of  
24 disgorgement and prejudgment interest and the determination not to  
25 assess a civil penalty are contingent upon the accuracy and  
26 completeness of Gaiser's Statement of Financial Condition. If at  
27 any time following the entry of this Final Judgment the Commission  
28 obtains information indicating that Gaiser's representations to the

1 Commission concerning his assets, income, liabilities or net worth  
2 were fraudulent, misleading, inaccurate or incomplete in any  
3 material respect as of the time such representations were made, the  
4 Commission may, at its sole discretion and without prior notice to  
5 Gaiser, petition this Court for an order modifying this Final  
6 Judgment to require payment of full disgorgement of \$97,200, and  
7 prejudgment and postjudgment interest thereon, and civil money  
8 penalties. In connection with any such petition, the only issues  
9 shall be whether the financial information provided by Gaiser was  
10 fraudulent, misleading, inaccurate or incomplete in any material  
11 respect as of the time such representations were made, and the  
12 amount of the civil penalty to be imposed. In its petition, the  
13 Commission may move this Court to consider all available remedies,  
14 including, but not limited to, ordering Gaiser to pay funds or  
15 assets, directing the surrender of any assets, or sanctions for  
16 contempt of this Final Judgment, and the Commission may also obtain  
17 additional discovery. Gaiser may not, by way of defense to such  
18 petition, challenge the validity of his Consent or this Final  
19 Judgment, contest the allegations in the Complaint filed by the  
20 Commission, the amount of disgorgement and interest, or assert that  
21 disgorgement, interest or payment of a civil penalty should not be  
22 ordered.

23 **VII.**

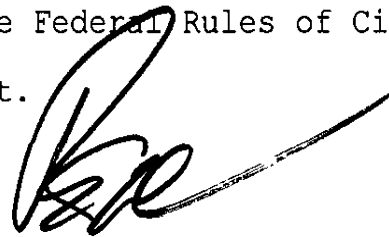
24 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions  
25 of the Consent filed concurrently with this Final Judgment are  
26 incorporated herein with the same force and effect as if fully set  
27 forth herein and that Gaiser shall comply with all terms of his  
28 Consent.

-VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including to determine the liability of any remaining defendants in this action, to implement and enforce the terms of this Final Judgment and other orders and decrees which may be entered, and to grant such other relief as this Court may deem necessary and just.

\* \* \* \* \*

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



DATED:

HONORABLE MANUEL L. REAL  
UNITED STATES DISTRICT JUDGE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**CERTIFICATE OF SERVICE**

1  
2 I, Magnolia M. Marcelo, am over the age of 18 years, not a  
3 party to this action, and am a citizen of the United States. My  
4 business address is 5670 Wilshire Boulevard, 11th Floor, Los  
5 Angeles, California 90036. On March 7, 2001, at the direction of a  
6 member of the bar of this Court, I served the following document  
7 entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND**  
8 **OTHER RELIEF AGAINST DEFENDANT RONALD L. GAISER** by causing to be  
9 mailed true and correct copies thereof in sealed envelopes, postage  
10 prepaid, to:

11  
12 Michael B. Rainey, Esq.  
13 Law Offices of Michael B. Rainey & Associates  
21112 Ventura Boulevard, Suite 200  
Woodland Hills, CA 91364  
14 ***Counsel for Defendant Charles F. Hagemann***

15 David J. Naughton  
360 Ware Road  
16 Hailey, Hertfordshire,  
England SG13 7PF

17 David I. Lefkowitz, Esq.  
1299 Ocean Avenue, Suite 900  
18 Santa Monica, CA 90401  
***Counsel for Defendants***  
19 ***Mark R. Avila and Stephen R. Keenum***

20 Steven Gourley, Esq.  
c/o Dept. of Motor Vehicles  
21 2415 First Avenue  
Sacramento, CA 95818  
22 ***Counsel for Defendant***  
***Stephen R. Rawlings***

23  
24 Stephen R. Rawlings  
c/o Law Offices of James Vickman  
424 So. Beverly Drive  
25 Beverly Hills, CA 90212-4414  
26  
27  
28



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Lawrence I. Washor, Esq.  
Washor & Associates  
11150 W. Olympic Boulevard, Suite 980  
Los Angeles, CA 90064  
**Counsel for Defendants**  
**Richard C. Reining, Ronald L. Gaiser and Michael R. Tompkins**

Adam E. Peck  
9743 Odessa Avenue  
North Hills, CA 91343

Shirlee L. Bliss, Esq.  
Law Offices of Shirlee L. Bliss  
290 E. Verdugo Avenue, Suite 108  
Burbank, CA 91502

Victor R. Graaug  
2580 NorthShore Road  
Westlake Village, CA 91361

Raffi T. King  
10756 Esther Avenue  
Los Angeles, CA 90064

I declare under penalty of perjury that the foregoing is true  
and correct.

Dated: March 7, 2001

Magnolia M. Marcelo  
Magnolia M. Marcelo