

SCANNED

1 JOSE F. SANCHEZ, Cal. Bar No. 161362
2 Attorney for Plaintiff
3 Randall R. Lee, Regional Director
4 Sandra J. Harris, Associate Regional Director
5 Securities and Exchange Commission
6 5670 Wilshire Boulevard, 11th Floor
7 Los Angeles, California 90036-3648
8 Telephone: (323) 965-3998
9 Facsimile: (323) 965-3908

FILED
CLERK, U.S. DISTRICT COURT
SEP 22 2004
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

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2004 SEP 21 PM
CLERK U.S. DISTRICT
CENTRAL DIST. OF
LOS ANGELES

[Signature]

BY [Signature]
UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 vs.

15 BRIAN E. PRIDGEON, STEPHON A.
16 CARRADINE, and CRAIG L. SMITH,

17 Defendants.

Case No. CV 00-09375 FMC (RZx)

**JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST DEFENDANT
STEPHON A. CARRADINE**

18 Plaintiff Securities and Exchange Commission ("Commission") having filed and
19 served upon Defendant Stephon A. Carradine ("Carradine") a Summons and
20 Complaint in this action; Carradine having entered a general appearance and consented
21 to the Court's jurisdiction over him and to the subject matter over this action, having
22 been fully advised and informed of his right to a judicial determination of this matter,
23 having waived the entry of findings of fact and conclusions of law as provided by Rule
24 52 of the Federal Rules of Civil Procedure, having consented to the entry of this
25 Judgment of Permanent Injunction and Other Relief ("Judgment"), without admitting
26 or denying the allegations in the Complaint, except as specifically set forth herein and
27 in his Consent to Entry of Judgment of Permanent Injunction and Other Relief
28 ("Consent"); no notice of hearing upon the entry of this Judgment being necessary; and

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FILED
U.S. DISTRICT COURT
ALEXANDRIA, VIRGINIA

1 this Court being fully advised:

2 I.

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

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

17 in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"),
18 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

19 II.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
21 Carradine is liable for disgorgement of \$47,437, representing profits gained as a result
22 of the conduct alleged in the Complaint, plus prejudgment interest of \$13,386 as of
23 June 1, 2004, and accruing at a daily rate of \$9.23 thereafter. Carradine shall satisfy
24 this obligation within one year of entry of this Judgment by certified check, bank
25 cashier's check, or United States postal money order payable to the Securities and
26 Exchange Commission. The payment shall be delivered or mailed to the Office of
27 Financial Management, Securities and Exchange Commission, Operations Center,
28 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be

1 accompanied by a letter identifying Craig L. Carradine as a defendant in this action;
2 setting forth the title and civil action number of this action and the name of this Court;
3 and specifying that payment is made pursuant to this Judgment. By making this
4 payment, Carradine relinquishes all legal and equitable right, title, and interest in such
5 funds, and no part of the funds shall be returned to Carradine.

6 **III.**

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that during the
8 pendency of this action against any defendant, Defendant Carradine shall remain
9 subject to the discovery provisions of the Federal Rules of Civil Procedure which apply
10 to parties, and, that Defendant Carradine shall appear for his deposition or testify as a
11 witness at any trial of this action or at any related proceeding. Failure to comply with
12 the foregoing will subject Defendant Carradine to the remedies and sanctions set forth
13 in Rule 37 of the Federal Rules of Civil Procedure and all other available remedies.

14 **IV.**

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

19 **V.**

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
21 shall retain jurisdiction of this matter for the purposes of enforcing the terms of this
22 Judgment.

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VI.

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

IT IS SO ORDERED.

DATED: 9/22/04


The Honorable Florence-Marie Cooper
UNITED STATES DISTRICT JUDGE

APPROVED AS TO FORM AND CONTENT:

DATED: 06/09/, 2004


Defendant Stephon A. Carradine

PROOF OF SERVICE

SCANNED

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.

Telephone: (323) 965-3998 Fax: (323) 965-3908

On September 21, 2004, I served the document entitled **JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT STEPHON A. CARRADINE** 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.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

PERSONAL SERVICE: I caused to be personally delivered each such envelope by hand to the office of the addressee.

FEDERAL EXPRESS: 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.

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: September 21, 2004

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

SEC v. BRIAN E. PRIDGEON, et al.
United States District Court - Central District of California
Case No. CV 00-09375 FMC (RZx)
(LA-2256)

SCANNED

SERVICE LIST

Jonathan Schwartz, Esq.
Law Offices of Jonathan Schwartz
4676 Admiralty Way, Suite 503
Marina del Rey, CA 90292-6606
Attorney for Defendant Brian E. Pridgeon

Brian E. Pridgeon
3520 Pleasant Row Court
San Jose, CA 95148

Stephon A. Carradine
8024 East Damar Street
Long Beach, CA 90808
In Pro Per

Stephon A. Carradine
Century 21 Success
5816 Downey Avenue
Long Beach, CA 90805
In Pro Per

Craig L. Smith
581-101 Holbrook Court
Long Beach, CA 90803
In Pro Per