

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

ENTERED
CLERK, U.S. DISTRICT COURT
AUG 16 2002
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY
BY *[Signature]*

FILED
CLERK U.S. DISTRICT COURT
AUG 15 2002
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY
[Signature]

CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIF.

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

THOMAS CARTER,

Defendant.

Case No. CV 00-09457 GHK (SHx)

**JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
EQUITABLE AND LEGAL
RELIEF AGAINST DEFENDANT
THOMAS CARTER**

NOTE: CHARGES MADE

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon defendant Thomas Carter ("Carter") a Summons and Complaint in this matter and Carter having admitted service upon him of the Summons and Complaint in this action and the jurisdiction of this Court over him and over the subject matter of this action; having been fully advised and informed of his rights to a judicial determination of this matter; having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to the entry of this Judgment of Permanent Injunction and Other Equitable and Legal Relief Against Defendant Thomas Carter

("Judgment") without admitting or denying the allegations in the Complaint, except

- Docketed
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1 as specifically set forth in the Consent of Defendant Thomas Carter to Entry of
2 Judgment of Permanent Injunction And Other Equitable And Legal Relief
3 ("Consent"); and it appearing that no notice of hearing upon the entry of this
4 Judgment being necessary; and the Court being fully advised in the premises, and
5 there being no just reason for delay:

6 **I.**

7 IT IS ORDERED, ADJUDGED & DECREED that Carter and his agents,
8 servants, employees, and all persons in active concert or participation with any of
9 them, who receive actual notice of this Judgment by personal service or otherwise,
10 and each of them, are permanently restrained and enjoined from, directly or
11 indirectly, in the offer or sale of the securities of any issuer, by the use of any means
12 or instruments of transportation or communication in interstate commerce or by the
13 use of the mails:

- 14 A. employing any device, scheme or artifice to defraud;
15 B. obtaining money or property by means of any untrue statement of a
16 material fact or any omission to state a material fact necessary in order
17 to make the statements made, in the light of the circumstances under
18 which they were made, not misleading; or
19 C. engaging in any transaction, practice, or course of business which
20 operates or would operate as a fraud or deceit upon the purchaser;
21 in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

22 **II.**

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Carter and
24 his agents, servants, employees, and all persons in active concert or participation
25 with any of them, who receive actual notice of this Judgment by personal service or
26 otherwise, and each of them, are permanently restrained and enjoined from, directly
27 or indirectly, in connection with the purchase or sale of any security, by the use of
28 any means or instrumentality of interstate commerce, or of the mails, or of any

1 facility of any national securities exchange:

- 2 A. employing any device, scheme, or artifice to defraud;
- 3 B. making any untrue statement of a material fact or omitting to state a
4 material fact necessary in order to make the statements made, in the
5 light of the circumstances under which they were made, not
6 misleading; or
- 7 C. engaging in any act, practice, or course of business which operates or
8 would operate as a fraud or deceit upon any person;

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

11 **III.**

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Carter
13 shall provide all documents in his possession, custody or control to the Commission
14 and disclose under oath all information with respect to his activities and the
15 activities of others about which the Commission or its staff may inquire or request.
16 Such production of documents and disclosure of information by Carter shall be
17 made upon reasonable notice in writing and without service of a subpoena and
18 subject only to the good faith assertion of any privileges recognizable pursuant to
19 the provisions of Rule 501 of the Federal Rules of Evidence or the United States
20 Constitution and amendments thereto. Failure to comply with the foregoing will
21 subject Carter to the remedies and sanctions set forth in Rule 37 of the Federal
22 Rules of Civil Procedure and all other available remedies.

23 **IV.**

24 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Carter
25 shall pay disgorgement in the amount of \$12,816.47 representing his gains from the
26 conduct alleged in the Complaint, plus prejudgment interest thereon calculated
27 pursuant to 28 U.S.C. § 1961 in the amount of \$1,689.64. Based upon Carter's
28 sworn representations in his Statement of Financial Condition dated April 9, 2002,

1 and submitted to the Commission, payment of all disgorgement and prejudgment
2 interest thereon is waived. Additionally, based on Carter's sworn representations in
3 his Statement of Financial Condition, this Court is not ordering Carter to pay a civil
4 penalty pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), or
5 Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d).

6 V.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the waiver of
8 disgorgement and interest and the determination not to assess civil penalties are contingent
9 upon the accuracy and completeness of Carter's Statement of Financial Condition. If at any
10 time following entry of this Judgment the Commission obtains information indicating that
11 Carter's representations to the Commission concerning his assets, income, liabilities or net
12 worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of
13 the time such representations were made, the Commission may, at its sole discretion and
14 without prior notice to Carter, petition this Court for an order modifying this Judgment to
15 require payment of additional disgorgement, and prejudgment and postjudgment interest
16 thereon, and civil money penalties. In connection with any such petition, the only issues
17 shall be whether the financial information provided by Carter was fraudulent, misleading,
18 inaccurate or incomplete in any material respect as of the time such representations were
19 made, and the amount of the civil penalty to be imposed. In its petition, the commission
20 may move this Court to consider all available remedies, including, but not limited to,
21 ordering Carter to pay funds or assets, directing the surrender of any assets, or sanctions for
22 contempt of this Judgment, and the Commission may also obtain additional discovery.
23 Carter may not, by way of defense to such petition, challenge the validity of his respective
24 Consent or this Judgment, contest the allegations in the Complaint filed by the
25 Commission, the amount of disgorgement and interest, or assert that disgorgement, interest
26 or payment of a civil penalty should not be ordered.

VI.

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

VII.

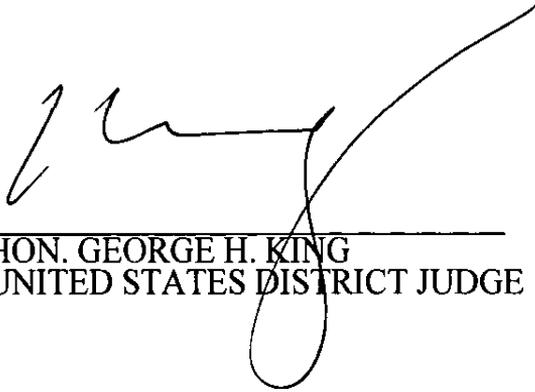
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action to implement and enforce the terms of the Judgment and other decrees that may be entered herein and to grant such other relief as the Court may deem necessary and just.

VIII.

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

*No Rule 54(b) judgment is necessary
inasmuch as there are no other claims or
issues remaining*

DATED: *8/15/02*


HON. GEORGE H. KING
UNITED STATES DISTRICT JUDGE

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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.

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

On August 12, 2002, I served the documents entitled **JUDGMENT OF PERMANENT INJUNCTION AND OTHER EQUITABLE AND LEGAL RELIEF AGAINST DEFENDANT THOMAS CARTER** upon the parties to this action addressed, as stated on the attached service list, by:

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 firm'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.

Date: August 12, 2002

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

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SEC v. THOMAS CARTER
United States District Court - Central District of California
Case No. CV 00-09457 GHK (SHx)
(LA-1018)

SERVICE LIST

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