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U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION

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DEC 13 2002
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION
BY DEPUTY

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v

ROBERT N. ROOKS, JOHN W.
DUFFELL III, and CHARLES E. YOST
II,

Defendants.

Case No EDCV 01-846 VAP
(SGLX)
**[PROPOSED] FINAL
JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST
DEFENDANT CHARLES E.
YOST II**

ENTER ON ICMS
DEC 16 2002

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Charles E. Yost, II ("Yost") a Summons and Complaint in this action; Yost 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; Yost having been fully advised and informed of his right to a judicial determination of this matter; Yost having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure, Yost having consented to the entry of this Final Judgment

DEC 16 2002

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1 Of Permanent Injunction And Other Relief Against Defendant Charles E. Yost, II
2 (“Final Judgment”), without admitting or denying the allegations in the Complaint,
3 except as specifically set forth in the Consent Of Defendant Charles E. Yost, II To
4 Entry Of Final Judgment Of Permanent Injunction And Other Relief (“Consent”);
5 no notice of hearing upon the entry of this Final Judgment being necessary, and this
6 Court being fully advised, and there being no just reason for delay:

7 **I.**

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

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

23 **II.**

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

1 security, by the use of any means or instrumentality of interstate commerce, or of
2 the mails, or of any facility of any national securities exchange:

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

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

8 C. engaging in any act, practice, or course of business which operates or
9 would operate as a fraud or deceit upon any person;

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

12 **III.**

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED
14 that Yost pay disgorgement in the amount of \$25,347.50 representing ill-gotten
15 gains as a result of the conduct alleged in the Complaint, together with prejudgment
16 interest. Based upon Yost's sworn representations in his Statement of Financial
17 Condition dated October 29, 2002, and other documents submitted to the
18 Commission, payment of all disgorgement and prejudgment interest thereon is
19 waived, contingent upon the accuracy and completeness of his Statement of
20 Financial Condition.

21 **IV.**

22 IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED
23 that based on Yost's sworn representations in his Statement of Financial Condition
24 dated October 29, 2002, and other documents submitted to the Commission, the
25 Court is not ordering him to pay a civil penalty. The determination not to impose a
26 civil penalty and to waive payment of all disgorgement and prejudgment interest
27 thereon is contingent upon the accuracy and completeness of Yost's Statement of
28 Financial Condition. If at any time following the entry of this Final Judgment the

1 Commission obtains information indicating that Yost's representations to the
2 Commission concerning his assets, income, liabilities, or net worth were fraudulent,
3 misleading, inaccurate, or incomplete in any material respect as of the time such
4 representations were made, the Commission may, at its sole discretion and without
5 prior notice to Yost, petition the Court for an order requiring Yost to pay the
6 unpaid portion of the disgorgement amount, plus prejudgment and post-judgment
7 interest thereon, and the maximum civil penalty allowable under the law. In
8 connection with any such petition, the only issue shall be whether the financial
9 information provided by Yost was fraudulent, misleading, inaccurate, or incomplete
10 in any material respect as of the time such representations were made. In its
11 petition, the Commission may move this Court to consider all available remedies,
12 including, but not limited to, ordering Yost to pay funds or assets, directing the
13 forfeiture of any assets, or sanctions for contempt of this Final Judgment. The
14 Commission may also request additional discovery. Yost may not, by way of
15 defense to such petition: (1) challenge the validity of the Consent or this Final
16 Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3)
17 assert that payment of disgorgement, prejudgment interest and post-judgment
18 interest or a civil penalty should not be ordered; (4) contest the amount of
19 disgorgement and prejudgment and post-judgment interest; (5) contest the
20 imposition of the maximum civil penalty allowable under the law; or (6) assert any
21 defense to liability or remedy, including, but not limited to, any statute of limitations
22 defense.

23 V.

24 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that,
25 pursuant to Section 21(d)(6) of the Exchange Act, 15 U.S.C. § 78u(d)(6), Section
26 20(g) of the Securities Act, and the court's equitable powers, Yost shall be
27 prohibited for a period of two years from the filing of this Final Judgment from
28 participating in any offering of penny stock. Yost shall be prohibited from

1 engaging with a broker, dealer or issuer or acting as a promoter, finder, consultant,
2 or agent for purposes of issuing, trading, or inducing or attempting to induce the
3 purchase or sale of any penny stock.

4 **VI.**

5 IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED
6 that during the pendency of this action against any defendant, Yost shall remain
7 subject to the discovery provisions of the Federal Rules of Civil Procedure which
8 apply to parties, and, in addition, that Yost agrees and undertakes, without service
9 or a subpoena, to appear for his deposition or to testify as a witness at any trial of
10 this action or at any related proceeding. Failure to comply with the foregoing will
11 subject Yost to the remedies and sanctions set forth in Rule 37 of the Federal Rules
12 of Civil Procedure and all other available remedies.

13 **VII.**

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

18 **VIII.**

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

25 *

26 *

27 *

28 *

* * * * *

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:

12/13/02

Virginia A Phillips

HONORABLE VIRGINIA A. PHILLIPS
UNITED STATES DISTRICT JUDGE

Submitted by:

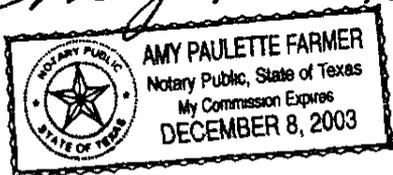
Jose F Sanchez

Jose F. Sanchez
Susan F. Hannan
Attorneys for Plaintiff
Securities and Exchange Commission

Approved as to form and content by:

Charles E Yost II
Charles E. Yost, II

Dec. 3, 2002
Amy Farmer



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 90036-3648

Telephone No. (323) 965-3998, Facsimile No. (323) 965-3908.

On December 12, 2002, I served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT CHARLES E. YOST II** 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.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee.

FEDERAL EXPRESS BY AGREEMENT OF ALL PARTIES: 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.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

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: December 12, 2002

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 **SEC v. ROBERT N. ROOKS, et al.**
2 **United States District Court - Central District of California**
3 **Case No. EDCV 01-846 VAP (SGLx)**
4 **(LA-844)**

5 **SERVICE LIST**

6 Charles E. Yost II
7 1200 Douglas Drive
8 Euless, TX 76039
9 Telephone: 817-358-9006
10 Cell. No : 817-907-3252
11 Facsimile. 817-283-5871
12 Email cyost1@swbell.net or cyost11@netscape.net
13 ***Pro Se***

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18 New York, NY 10016
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21 ***Attorney for Defendant John W. Duffell III***

22 John T. Jacobs, Esq.
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24 Los Angeles, CA 90069
25 Telephone: 323-656-4213
26 Facsimile: 323-656-4249
27 ***Attorney for Defendant John W. Duffell III***