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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

CURRENCY TRADING
INTERNATIONAL, INC., BRIAN R.
MOORE, CRAIG A. CUNNINGHAM,
CRAIG WIGINTON, JAMES R.
KELSALL, CHRISTIAN J. WEBER and
ROBERT SHANE JONES,

Defendants.

Case No. CV 02-05143 PA (CTx)

**[PROPOSED] REVISED FINAL
JUDGMENT OF PERMANENT
INJUNCTION,
DISGORGEMENT,
PREJUDGMENT INTEREST,
AND CIVIL PENALTIES
AGAINST DEFENDANTS
CURRENCY TRADING
INTERNATIONAL, INC.,
BRIAN R. MOORE, CRAIG A.
CUNNINGHAM, JAMES R.
KELSALL, AND CHRISTIAN J.
WEBER**

The above-entitled securities fraud action was filed by Plaintiff Securities and Exchange Commission ("Commission") against various individuals and entities involved in selling foreign currency options. The remaining defendants in the Commission's action are Currency Trading International, Inc. ("CTI"), Brian R. Moore ("Moore"), Craig A. Cunningham ("Cunningham"), James R. Kelsall ("Kelsall"), and Christian J. Weber ("Weber") (collectively "defendants"). Following trial against these defendants, the parties submitted proposed findings of fact and conclusions of law. Having considered the evidence, briefs, and

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AS REQUIRED BY FRCP, RULE 77(d).

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1 arguments of the parties, having entered findings of fact and conclusions of law
2 on February 5, 2004, pursuant to Rule 52 of the Federal Rules of Civil Procedure,
3 and having found in favor of the Commission and against Defendants CTI, Moore,
4 Cunningham, Kelsall, and Weber, the Court now enters this Final Judgment of
5 Permanent Injunction, Disgorgement, Prejudgment Interest, and Civil Penalties
6 (“Final Judgment”) against each of the defendants.

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that
9 Defendants CTI, Moore, Cunningham, Kelsall, and Weber, and their officers,
10 agents, servants, employees, attorneys, and those persons in active concert or
11 participation with any of them, who receive actual notice of this Final Judgment,
12 by personal service or otherwise, and each of them, be and hereby are permanently
13 restrained and enjoined from, directly or indirectly, in the offer or sale of any
14 securities, by the use of any means or instruments of transportation or
15 communication in interstate commerce or by the use of the mails:

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

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

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

23 in violation of Section 17(a) of the Securities Act of 1933 (“Securities Act”), 15
24 U.S.C. § 77q(a).

25 **II.**

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
27 Defendants CTI, Moore, Cunningham, Kelsall, and Weber, and their officers,
28 agents, servants, employees, attorneys, and those persons in active concert or

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1 participation with any of them, who receive actual notice of this Final Judgment,
2 by personal service or otherwise, and each of them, be and hereby are permanently
3 restrained and enjoined from, directly or indirectly, in connection with the
4 purchase or sale of any securities, by the use of any means or instrumentality of
5 interstate commerce, or of the mails, or of any facility of any national securities
6 exchange:

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

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

16 **III.**

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
18 Defendant CTI is liable for disgorgement of \$32,844,444.24 representing profits
19 received by Defendant CTI as a result of defendants' fraud, plus prejudgment
20 interest thereon in the amount of \$8,602,149.45 due as of February 20, 2004, and
21 accruing at a daily rate of \$5,224.34 until entry of this Final Judgment. Defendant
22 CTI shall satisfy this obligation within thirty (30) days to the Clerk of this Court,
23 together with a cover letter identifying the defendant(s) making the payment;
24 setting forth the title and civil action number of this action and the name of this
25 Court; and specifying that the payment is made pursuant to this Final Judgment.
26 Defendant CTI shall simultaneously transmit photocopies of such payment and
27 letter to the Commission's counsel in this action.

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1 IV.

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
3 Defendant Moore is liable for disgorgement of \$4,361,993.00, representing profits
4 he received as a result of defendants' fraud, plus prejudgment interest thereon in
5 the amount of \$1,142,431.13, due as of February 20, 2004, and accruing at a daily
6 rate of \$693.83 until entry of this Final Judgment. Defendant Moore shall satisfy
7 this obligation within thirty (30) days to the Clerk of this Court, together with a
8 cover letter identifying Moore as the defendant making the payment; setting forth
9 the title and civil action number of this action and the name of this Court; and
10 specifying that the payment is made pursuant to this Final Judgment. Defendant
11 Moore shall simultaneously transmit photocopies of such payment and letter to the
12 Commission's counsel in this action.

13 V.

14 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
15 Defendant Cunningham is liable for disgorgement of \$4,361,993.00, representing
16 profits he received as a result of defendants' fraud, plus prejudgment interest
17 thereon in the amount of \$1,142,431.13, due as of February 20, 2004, and accruing
18 at a daily rate of \$693.83 until entry of this Final Judgment. Defendant
19 Cunningham shall satisfy this obligation within thirty (30) days to the Clerk of this
20 Court, together with a cover letter identifying Cunningham as the defendant
21 making the payment; setting forth the title and civil action number of this action
22 and the name of this Court; and specifying that the payment is made pursuant to
23 this Final Judgment. Defendant Cunningham shall simultaneously transmit
24 photocopies of such payment and letter to the Commission's counsel in this action.

25 VI.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
27 Defendant Kelsall is liable for disgorgement of \$147,000, representing profits he
28 received as a result of defendants' fraud, plus prejudgment interest thereon in the

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1 amount of \$38,500.15, due as of February 20, 2004, and accruing at a daily rate of
2 \$23.38 until entry of this Final Judgment. Defendant Kelsall shall satisfy this
3 obligation within thirty (30) days to the Clerk of this Court, together with a cover
4 letter identifying Kelsall as the defendant making the payment; setting forth the
5 title and civil action number of this action and the name of this Court; and
6 specifying that the payment is made pursuant to this Final Judgment. Defendant
7 Kelsall shall simultaneously transmit photocopies of such payment and letter to
8 the Commission's counsel in this action.

9 **VII.**

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
11 Defendant Weber is liable for disgorgement of \$440,000, representing profits he
12 received as a result of defendants' fraud, plus prejudgment interest thereon in the
13 amount of \$115,238.54, due as of February 20, 2004, and accruing at a daily rate
14 of \$69.99 until entry of this Final Judgment. Defendant Weber shall satisfy this
15 obligation within thirty (30) days to the Clerk of this Court, together with a cover
16 letter identifying Weber as the defendant making the payment; setting forth the
17 title and civil action number of this action and the name of this Court; and
18 specifying that the payment is made pursuant to this Final Judgment. Defendant
19 Weber shall simultaneously transmit photocopies of such payment and letter to the
20 Commission's counsel in this action.

21 **VIII.**

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that by
23 making any payments for disgorgement or prejudgment interest, Defendants CTI,
24 Moore, Cunningham, Kelsall, and Weber each relinquish all legal and equitable
25 right, title, and interest in such funds, and no part of the funds shall be returned to
26 defendants. The Clerk shall deposit all funds paid by defendants into an interest
27 bearing account with the Court Registry Investment System ("CRIS"). These
28 funds, together with any interest and income earned thereon (collectively the

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1 “Fund”), shall be held by the CRIS until further order of the Court. In accordance
2 with the guidelines set by the Director of the Administrative Office of the United
3 States Courts, the Clerk is directed, without further order of this Court, to deduct
4 from the income earned on the money in the Fund a fee equal to ten percent of the
5 income earned on the Fund. Such fee shall not exceed that authorized by the
6 Judicial Conference of the United States. The Commission may propose a plan to
7 distribute the Fund subject to the Court’s approval.

8 **IX.**

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
10 Defendants CTI shall pay a civil penalty in the amount of \$550,000 for its
11 violations of the federal securities laws, pursuant to Section 20(d) of the Securities
12 Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
13 78(u)(d)(3). Defendant CTI shall make this payment within thirty (30) days after
14 entry of this Final Judgment by certified check, bank cashier’s check, or United
15 States postal money order payable to the Securities and Exchange Commission.
16 The payment shall be delivered or mailed to the Office of Financial Management,
17 Securities and Exchange Commission, Operations Center, 6432 General Green
18 Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a
19 letter identifying CTI as the defendant making the payment; setting forth the title
20 and civil action number of this action and the name of this Court; and specifying
21 that payment is made pursuant to this Final Judgment. A copy of the letter and the
22 check or money order shall be simultaneously transmitted to counsel for the
23 Commission at its Los Angeles office located at 5670 Wilshire Boulevard, 11th
24 Floor, Los Angeles, CA 90036.

25 **X.**

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
27 Defendant Moore shall pay a civil penalty in the amount of \$110,000 for his
28 violations of the federal securities laws, pursuant to Section 20(d) of the Securities

1 Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
2 78(u)(d)(3). Defendant Moore shall make this payment within thirty (30) days
3 after entry of this Final Judgment by certified check, bank cashier's check, or
4 United States postal money order payable to the Securities and Exchange
5 Commission. The payment shall be delivered or mailed to the Office of Financial
6 Management, Securities and Exchange Commission, Operations Center, 6432
7 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
8 accompanied by a letter identifying Moore as a defendant in this action; setting
9 forth the title and civil action number of this action and the name of this Court;
10 and specifying that payment is made pursuant to this Final Judgment. A copy of
11 the letter and the check or money order shall be simultaneously transmitted to
12 counsel for the Commission at its Los Angeles office located at 5670 Wilshire
13 Boulevard, 11th Floor, Los Angeles, CA 90036.

14 **XI.**

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
16 Defendant Cunningham shall pay a civil penalty in the amount of \$110,000 for his
17 violations of the federal securities laws, pursuant to Section 20(d) of the Securities
18 Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
19 78(u)(d)(3). Defendant Cunningham shall make this payment within thirty (30)
20 days after entry of this Final Judgment by certified check, bank cashier's check, or
21 United States postal money order payable to the Securities and Exchange
22 Commission. The payment shall be delivered or mailed to the Office of Financial
23 Management, Securities and Exchange Commission, Operations Center, 6432
24 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
25 accompanied by a letter identifying Cunningham as a defendant in this action;
26 setting forth the title and civil action number of this action and the name of this
27 Court; and specifying that payment is made pursuant to this Final Judgment. A
28 copy of the letter and the check or money order shall be simultaneously

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1 transmitted to counsel for the Commission at its Los Angeles office located at
2 5670 Wilshire Boulevard, 11th Floor, Los Angeles, CA 90036.

3 **XII.**

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
5 Defendant Kelsall shall pay a civil penalty in the amount of \$110,000 for his
6 violations of the federal securities laws, pursuant to Section 20(d) of the Securities
7 Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
8 78(u)(d)(3). Defendant Kelsall shall make this payment within thirty (30) days
9 after entry of this Final Judgment by certified check, bank cashier's check, or
10 United States postal money order payable to the Securities and Exchange
11 Commission. The payment shall be delivered or mailed to the Office of Financial
12 Management, Securities and Exchange Commission, Operations Center, 6432
13 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
14 accompanied by a letter identifying Kelsall as a defendant in this action; setting
15 forth the title and civil action number of this action and the name of this Court;
16 and specifying that payment is made pursuant to this Final Judgment. A copy of
17 the letter and the check or money order shall be simultaneously transmitted to
18 counsel for the Commission at its Los Angeles office located at 5670 Wilshire
19 Boulevard, 11th Floor, Los Angeles, CA 90036.

20 **XIII.**

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
22 Defendant Weber shall pay a civil penalty in the amount of \$110,000 for his
23 violations of the federal securities laws, pursuant to Section 20(d) of the Securities
24 Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. §
25 78(u)(d)(3). Defendant Weber shall make this payment within thirty (30) days
26 after entry of this Final Judgment by certified check, bank cashier's check, or
27 United States postal money order payable to the Securities and Exchange
28 Commission. The payment shall be delivered or mailed to the Office of Financial

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1 Management, Securities and Exchange Commission, Operations Center, 6432
2 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be
3 accompanied by a letter identifying Weber as a defendant in this action; setting
4 forth the title and civil action number of this action and the name of this Court;
5 and specifying that payment is made pursuant to this Final Judgment. A copy of
6 the letter and the check or money order shall be simultaneously transmitted to
7 counsel for the Commission at its Los Angeles office located at 5670 Wilshire
8 Boulevard, 11th Floor, Los Angeles, CA 90036.

9 **XIV.**

10 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
11 Court shall retain jurisdiction over this action for all purposes, including to
12 implement, enforce, and carry out the terms of this Final Judgment and all orders
13 and decrees which have been entered or may be entered herein, and to grant such
14 other relief as the Court may deem necessary and just.

15 * * * *

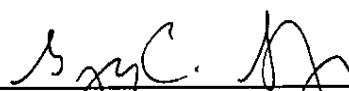
16 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
17 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
18 forthwith and without further notice.

19
20 Dated: *April 28, 2004*



21 _____
22 The Honorable Percy Anderson
23 UNITED STATES DISTRICT JUDGE

24 Presented by:

25  *3/8/2004*
26 Jose F. Sanchez
27 Gregory C. Glynn
28 Attorneys for Plaintiff
Securities and Exchange Commission

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PROOF OF SERVICE

I, the undersigned, declare that I am over the age of 18 years and not a party to the action. I am employed in the County of Los Angeles, State of California, in which county the within-mentioned mailing occurred. My business address is 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036. I am familiar with the practice of the U.S. Securities and Exchange Commission of collecting and processing legal documents and correspondence for mailing. The Commission's practice is to deposit correspondence with the United States Postal Service on the same day that it is prepared for mailing in the ordinary course of business.

On March 9, 2004, I served the following document(s):

[PROPOSED] REVISED JUDGMENT OF PERMANENT INJUNCTION, DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL PENALTIES AGAINST DEFENDANTS CURRENCY TRADING INTERNATIONAL, INC., BRIAN R. MOORE, CRAIG A. CUNNINGHAM, JAMES R. KELSALL, AND CHRISTIAN J. WEBER.

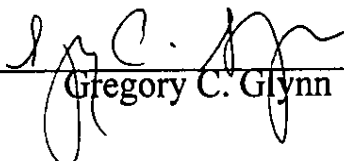
by placing a true and correct copy in a separate envelope for each addressee named hereafter, addressed to each such addressee respectively as follows:

See Attached
MASTER SERVICE LIST

I then sealed the envelope with postage thereon fully prepaid and deposited it for collection and mailing via the United States Postal Service today in accordance with the ordinary business practices of the Commission at the Commission's address previously set forth.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that I am employed in the office of a member of the Bar of this Court at whose direction this service was made.

Executed on March 9, 2004, at Los Angeles, California.



Gregory C. Glynn

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**Securities and Exchange Commission
v. Currency Trading Intl.
Case No. CV 02-5143 (PA)(CTx)**

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5 1. Sam Y. Edgerton, III, Esq.
Jonathan Wieman, Esq.
6 Nash & Weaver, LLP
2615 Pacific Coast Highway, Suite 300
7 Hermosa Beach, California 90254

8 Telephone: (310) 937-2066
Telecopier: (310) 937-2064

9 Counsel for Defendants Brian R. Moore
10 and Craig A. Cunningham and Defendant
Currency Trading International, Inc.

11 2. Mr. Christian J. Weber
10226 Swallow Avenue
12 Fountain Valley, CA 92708

13 Telephone: (714) 968-3284

14 3. Mr. James R. Kelsall
15 159 37th Street, S.W.
Barberton, Ohio 44203

16 Telephone: (330) 283-2025
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