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ENT CLOSED

**FILED**  
MAY - 3 2000  
CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION AT SANTA ANA  
BY *[Signature]* DEPUTY

Attorneys for Plaintiff  
Securities and Exchange Commission  
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**ENTERED**  
MAY 4 2000  
UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SANTA ANA SOUTHERN DIVISION  
BY *[Signature]* DEPUTY

*Priority send*

LCR 7D

*[Handwritten marks]*

12 SECURITIES AND EXCHANGE COMMISSION,  
13 Plaintiff,  
14 v  
15 WILLIAM MADON,  
16 Defendant.

Civil Action No  
SACV 97-1023 *LM* (EEx)  
[PROPOSED] ORDER OF DISGORGE  
AND OTHER RELIEF AGAINST  
DEFENDANT WILLIAM MADON

17  
18  
19 Plaintiff Securities and Exchange Commission ("Commission"),  
20 having filed and served upon defendant William Madon ("Madon") a  
21 Summons and Complaint in this action; Madon having admitted service  
22 upon him of the Summons and Complaint in this action and the  
23 jurisdiction of this Court over him and over the subject matter of  
24 this action; having been fully advised and informed of his right to  
25 a judicial determination of this matter, having waived the entry of  
26 findings of fact and conclusions of law as provided by Rule 52 of  
27 the Federal Rules of Civil Procedure; having been permanently  
28 enjoined by this Court from various provisions of the federal

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

MAY - 4 2000  
ENTERED ON ICMS *[Signature]*

1 securities laws pursuant to the Judgment of Permanent Injunction and  
2 Other Relief Against Defendant William Madon ("Judgment"), entered  
3 in this action on December 22, 1997, and having consented to the  
4 entry of this Order of Disgorgement and Other Relief Against  
5 Defendant William Madon ("Order"), without admitting or denying the  
6 allegations in the Complaint, except as specifically set forth in  
7 the Consent of Defendant William Madon to Entry of Order of  
8 Disgorgement and Other Relief ("Consent"); no notice of hearing upon  
9 the entry of this Judgment being necessary; and this Court being  
10 fully advised:

11 I.

12 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Madon shall pay  
13 disgorgement in the amount of \$7,991,000, representing his gains  
14 from the conduct alleged in the Complaint, and pay prejudgment  
15 interest thereon. Prejudgment interest shall be calculated using  
16 the Internal Revenue Service rate of interest on tax underpayments  
17 and refunds.

18 II.

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the  
20 disgorgement and prejudgment interest to be paid by Madon, as set  
21 forth in Part I of this Order, is waived, except that Madon shall  
22 disgorge certain assets described in Part IV of this Order, due to  
23 his financial inability to pay disgorgement or prejudgment interest.

24 III.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the partial  
26 waiver of disgorgement and prejudgment interest, and the  
27 nonassessment of civil penalties pursuant to Section 20(d)(1) of the  
28 Securities Act [15 U.S.C. § 77t(d)(1)], Section 21(d)(3)(A) of the

1 Exchange Act [15 U.S.C. § 78u(d)(3)(A)] and Section 209(e) of the  
2 Advisers Act [15 U.S.C. § 80-9(e)], is based upon the accuracy and  
3 completeness of Madon's representations to the Commission concerning  
4 his assets, income, liabilities and net worth, as described in the  
5 Statement of Financial Condition of William Madon, dated August 31,  
6 1999, which he has submitted to the Commission, and in his  
7 deposition taken by the Commission on October 18, 1999. If, at any  
8 time following entry of the Order, the Commission obtains  
9 information indicating that Madon's representations to the  
10 Commission concerning his assets, income, liabilities or net worth  
11 were fraudulent, misleading, inaccurate or incomplete in any  
12 material respect as of the time such representations were made, the  
13 Commission may, at its sole discretion and without prior notice to  
14 him, petition the Court for an order requiring Madon to pay the full  
15 amount of disgorgement set forth above, together with prejudgment  
16 and postjudgment interest, and civil penalties. In connection with  
17 any such petition, the only issue shall be whether the financial  
18 information provided by Madon was fraudulent, misleading, inaccurate  
19 or incomplete in any material respect as of the time such  
20 representations were made, and the amount of civil penalties to be  
21 imposed. In any such petition, the Commission may move the Court to  
22 consider all available remedies, including, but not limited to,  
23 ordering Madon to pay funds or assets, directing the forfeiture of  
24 any assets, or sanctions for contempt of the Court's Order, and the  
25 Commission may also request additional discovery. Madon may not, by  
26 way of defense to such petition, challenge the validity of the  
27 Consent or this Order, contest the allegations in the Complaint  
28 filed by the Commission, the amount of disgorgement and interest, or

1 assert that disgorgement or payment of civil penalties should not be  
2 ordered.

3 IV.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Madon shall  
5 liquidate the following accounts and disgorge the proceeds as  
6 directed in Part VI of this Order, within thirty days of entry of  
7 this Order:

8 Farmers & Merchants Bank

9 Wilfred J. Madon  
10 Account No. 56-2060-00  
11 (approximate value: \$78,800)

12 Charles Schwab & Co., Inc.

13 Capital Growth Group  
14 Account No. 2076-5627  
15 (approximate value: \$16,500)

16 Upon entry of this Order, Madon shall be deemed to have relinquished  
17 his claims of ownership of the assets set forth in this Part IV.

18 V.

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Madon shall  
20 disgorge any proceeds, in excess of \$10,000, from any future  
21 liquidation of any of his assets listed on Exhibit A attached hereto  
22 and/or his interest in Atlantic Syndication Network, Inc. Any  
23 disgorgement paid pursuant to this Part V shall be paid as directed  
24 by the Court.

25 VI.

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Madon shall  
27 disgorge the proceeds of the liquidation of assets provided in Part  
28 IV of this Order to the Commission for delivery to the United States

1 Treasury. Madon shall pay the disgorgement by cashier's check,  
2 certified check or postal money order made payable to the United  
3 States Treasury and shall be transmitted to the Comptroller,  
4 Securities and Exchange Commission, Operations Center, 6432 General  
5 Green Way, Stop 0-3, Alexandria, VA 22312, under cover of letter  
6 that identifies the defendant, the name and case number of this  
7 litigation, and the Court. A copy of the cover letter shall be  
8 simultaneously transmitted to counsel for the Commission in this  
9 action at its Pacific Regional Office.

10 VII.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Madon's  
12 compliance with this Order shall not be deemed a violation of the  
13 freeze placed on his assets pursuant to Parts VI and VII of the  
14 Judgment, which asset freeze is hereby lifted.

15 VIII.

16 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Madon shall  
17 provide all documents in his possession, custody or control to the  
18 Commission and disclose under oath all information with respect to  
19 his activities and the activities of others about which the  
20 Commission or its staff may inquire or request. Such production of  
21 documents and disclosure of information by Madon shall be made upon  
22 reasonable notice in writing and without the service of a subpoena  
23 and subject only to the good faith assertion of any privileges  
24 recognizable pursuant to the provisions of Rule 501 of the Federal  
25 Rules of Evidence or the United States Constitution and amendments  
26 thereto.

27 \*

28 \*

IX

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

X.

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.

\* \* \* \* \*

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.

IT IS SO ORDERED.

DATED: *May 2, 2000*

*Harold O. Carter*  
UNITED STATES DISTRICT JUDGE



SARANOW & ASSOCIATES, INC  
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 ATTORNEY WORK PRODUCT  
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Bill Madon  
 Net Worth  
 12/1/97

	Approximate Cost Basis	Approximate Current Value
Bank Accounts	3,300	3,300
Various Broker Accounts (currently being reviewed)	unknown	unknown
House - 23072 Via Celeste, Colo de Caza, CA 92679	644,000	644,000
Mortgage on house	(471,000)	(471,000)
Property taxes on house due 12/10/97	(4,400)	(4,400)
Automobiles:		
1988 Scorpio Mercur	Unknown	5,000
1989 Cadillac DeVille	Unknown	7,000
1990 Cadillac DeVille	Unknown	10,000
Time Shares		
2 weeks Plaza Hotel in Reno		
1 week Banyon Harbour in Oahu		
1 week at Racquet Club in Jackson, Wyoming		
	Unknown	10,000
Shaquille O'Neal Lithograph Prints		
15-20 framed, 600-700 unframed	Unknown	10,000
Note receivable from Jules Klar, past due	10,000	unknown
Broker Accounts		
Business Investments.		
Color Monster Publishing	1,500,000	unknown
located in Alberta, Canada		
started in June 1991		
produces lithographs and various publishing's		
Madon owns 45%		
Canadian corp		
about break even income		
Bill Madon had an Orange County office with		
3 employees, no payroll taxes withheld		
Atlantis Resorts	900,000	none
intended to build floating hotel/casino in Loursiana		
There was a problem getting lease and there is a		
current lawsuit for \$87,000 filed by Atlantis		

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	<u>Approximate Cost Basis</u>	<u>Approximate Current Value</u>
Madon believes there is no current value for this investment		
<b>Athletes for Athletes</b> Intended to manage pro athletes This business is not in operation Madon believes there is no current value for this investment	550,000	none
<b>Sport Gems</b> Sports jewelry business This business is not in operation Madon has some raw inventory (approximately \$2,000)	260,000	2,000
<b>Auto Buyers Credit Corp (ABCC) now "PSA"</b> ABCC went bankrupt The business now operating under the name PSA Auto financing business	325,000	unknown
<b>American Sports</b> Telemarketing sports collectibles business lasted 90 days business has no assets, no value business was located in Laguna Beach	60,000	none
<b>Martrace</b> refrigeration units for trucks Company is out of business Company was located in Florida	38,000	none
<b>Skyline Sports Medicine Clinic</b> business never opened because could not get financing	60,000	none
<b>Pekjon Eyes for Art</b> business produces hand painted sunglasses Nevada corp but located in Costa Mesa Company has 5 sales reps, considers them independent contr Company sells to boutiques Company currently grosses about \$3,000 per month Madon owns 51% of business	350,000	unknown
<b>American Capital Holding Corp</b> This is a holding company which owns "The Movie Co", a British company that has the rights to various movies Company has a lawsuit for \$685,000 in Nevada against Princeton Electronics, a Nasday company, trading of stock	200,000	unknown

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Bill Madon  
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	<u>Approximate Cost Basis</u>	<u>Approximate Current Value</u>
suspended in May 1997 Company has a 40% interest in TDX Telediagnosics Inc , a video conferencing/medical equipment leasing company Company has 625 shareholders, Madon owns 12%		
<b>TDX Telediagnosics</b> a video conferencing/medical equipment leasing company a startup business a Nevada corp , located in El Segundo	175,000	unknown
<b>Las Vegas Art Museum Gift Shop</b> Opened January 1997 in this new museum A husband and wife run the shop for Madon Madon owns 100%, however, the husband and wife claim they own it Shop has at least \$75,000 of inventory	75,000	unknown
<b>Nev Star Gaming</b> Casino/hotel under construction in Nevada This is a public company, symbol (NVST), currently at \$3 0625 Hotel scheduled to open in March 1998 Madon has 20,000 common shares from \$50,000 investment Madon has 18,181 8 units which entitle him to 2 warrants for each unit Warrant traded under the symbol (NVSTW), currently at \$ 375 per share. There are some time restrictions before Madon can sell stock	150,000	unknown
<b>Michalena / Kellahin</b> Michalena is a Spanish singer recording artist Kellahin is a producer with a recording co. called Disco Delarosa Madon has a 1/3 share Madon has not received any revenue	480,000	unknown
<b>Ruff Hit Records</b> business trying to sign singers Madon no longer supporting Currently still in operation Madon owns 50% 1 artist signed to major label	125,000	unknown
<b>Whiz Magazine</b> Computer magazine Start-up business Corporation located in Irvine	100,000	unknown

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Bill Madon  
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	Approximate Cost Basis	Approximate Current Value
Business has no income Madon owns 15%		
NetSprocket Web site designers Internet providers Madon owns 10% of stock Madon's future son-in-law involved a Nevada start-up corporation	40,000	unknown
Mr. X Productions Madon provided funding of musical CD for Mordy Ferber, a guitar player CD needs distribution agreement Madon owns 45%	55,000	unknown
Las Vegas Art Museum Madon provided funds to help museum secure lease space from the Las Vegas library There is a 2 year obligation from September 1996 for the funds provided	75,000	unknown
Yankee Audio Corp Home/movie theater speaker systems Company is a California start-up company Company waiting for additional \$2-3,000,000 of financing before it can start	250,000	unknown
Zeta Technology Same management as Yankeyy Audio Company has new concept in wiring to increase bandwidth Nevada corp Madon owns 8% Madon believes company could be worth hundreds of millions Company is actively for sale	80,000	unknown
Entertainment Financial Services Company packages various deals in the entertainment industry Company still in business Limited Liability California Corp Madon owns 30% of corp	600,000	unknown
Berry Raines Group a loan Madon made	35,000	none

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**Bill Madon**  
**Net Worth**  
**12/1/97**

	<u>Approximate Cost Basis</u>	<u>Approximate Current Value</u>
Company out of business was located in San Diego		
Front Row Collectibles a loan Madon made Company out of business was located in Irvine	68,000	none
Madman Collectibles located in Las Vegas Individual who was operating business has disappeared Business of selling limited addition of John Wooden prints	40,000	none
IBN business was located in San Diego Sold a computer program to allow businesses to communicate to each other Company out of business	75,000	none
Platinum Mining 560 acres of land located in Nevada Madon owns 50% The other partner, Roger Agajanian, is an investor in Capital Growth Group	7,500	unknown
<b>TOTALS</b>	<u><u>6,855,400</u></u>	

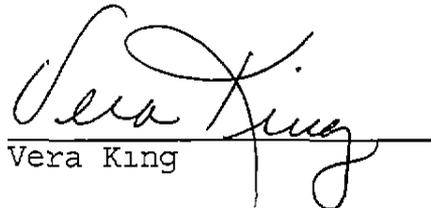
CERTIFICATE OF SERVICE

I, Vera King, am over the age of 18 years, not a party to the within action and a citizen of the United States. My business address is 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036. On April 19, 2000, at the direction of a member of the bar of this Court, I served the [PROPOSED] ORDER OF DISGORGEMENT AND OTHER RELIEF AGAINST DEFENDANT WILLIAM MADON attached hereto by causing to be mailed a true and correct copy thereof in a sealed envelope, postage prepaid, addressed to:

William Madon  
13282 S.E. Laurie Avenue  
Milwaukie, OR 97222

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

DATED: April 19, 2000

  
Vera King

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