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8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION

11
12 _____ : Civil Action No.
13 SECURITIES AND EXCHANGE COMMISSION, : CV 97-5993 RAP (JGx)
14 :
15 Plaintiff, : [PROPOSED] FINAL JUDGMENT
16 : OF PERMANENT INJUNCTION,
17 v. : DISGORGEMENT, AND CIVIL
18 : PENALTY AGAINST DEFENDANT
19 AMERICAN GROWTH CAPITAL CORP., : JEROME L. GLAZOV
20 AMERICAN GROWTH FUND I, LP, :
21 GROWTH CAPITAL RESOURCES CORP., :
CAPITAL GROWTH FUND I, LP, :
DONNA L. SNYDER, CHARLES E. :
DUQUETTE, ROBERT K. KELLY, HUGO V. :
CIANCIULLI, WILLIAM M. MCNARY, :
EMANUEL B. NEDWICK, JEROME L. :
GLAZOV, AND CHRISTOPHER A. PAULICK, :
Defendants. :

22 This matter is before the Court on a Motion for Summary
23 Judgment Against Defendant Jerome L. Glazov by the Plaintiff
24 Securities and Exchange Commission ("Commission"), filed on
25 Friday, February 6, 1998. The Court, having considered the
26 Commission's Motion for Summary Judgment, Statement of
27 Uncontroverted Facts and Law, Declarations and Exhibits filed
28 ~~document~~ recently therewith, and it appearing that the Commission,

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1 having filed and served upon the Defendant a Complaint and
2 Summons in this matter; and the Court being fully advised in the
3 premises, and there being no just reason for delay:

4 I.

5 The Commission's Motion for Summary Judgment Against
6 Defendant Jerome L. Glazov is hereby GRANTED.

7 II.

8 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant
9 Glazov and his agents, servants, employees and attorneys, and all
10 persons in active concert or participation with any of them, who
11 receive actual notice of this Final Judgment of Permanent
12 Injunction, Disgorgement, and Civil Penalty Against Defendant
13 Jerome L. Glazov ("Final Judgment"), by personal service or
14 otherwise, and each of them, are permanently restrained and
15 enjoined from, directly or indirectly, in the offer or sale of
16 the securities of any issuer, by the use of any means or
17 instruments of transportation or communication in interstate
18 commerce or by the use of the mails:

- 19 A. employing any device, scheme or artifice to defraud;
20 B. obtaining money or property by means of any untrue
21 statement of a material fact or any omission to state a
22 material fact necessary in order to make the statements
23 made, in the light of the circumstances under which
24 they were made, not misleading; or
25 C. engaging in any transaction, practice, or course of
26 business which operates or would operate as a fraud
27 or deceit upon the purchaser;

28 in violation of Section 17(a) of the Securities Act of 1933, as

1 amended, ("Securities Act") [15 U.S.C. § 77q(a)].

2 III.

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

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

21 in violation of Section 10(b) of the Securities Exchange Act of
22 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5
23 thereunder [17 C.F.R. § 240.10b-5].

24 IV.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
26 Glazov, and his agents, servants, employees and attorneys, and
27 all persons in active concert or participation with any of them,
28 who receive actual notice of this Final Judgment by personal

1 service or otherwise, and each of them, are permanently
2 restrained and enjoined from, directly or indirectly:

- 3 A. making use of any means or instruments of
4 transportation or communication in interstate commerce
5 or of the mails to sell the securities of any issuer,
6 through the use or medium of any prospectus or
7 otherwise, unless and until a registration is in effect
8 as to such securities;
- 9 B. carrying or causing to be carried through the mails or
10 in interstate commerce, by any means or instruments of
11 transportation, for the purpose of sale or for delivery
12 after sale, the securities of any issuer, unless and
13 until a registration statement is in effect as to such
14 securities; and
- 15 C. making use of any means or instruments of
16 transportation or communication in interstate commerce
17 or of the mails to offer to sell or offer to buy,
18 through the use or medium of any prospectus or
19 otherwise, the securities of any issuer, unless and
20 until a registration statement has been filed with the
21 Commission as to such securities, or while a
22 registration statement as to such securities is the
23 subject of a refusal order or stop order or (prior to
24 the effective date of the registration statement) any
25 public proceeding of examination under Section 8 of the
26 Securities Act [15 U.S.C. § 77h];

27 in violation of Sections 5(a) and 5(c) of the Securities Act
28 [15 U.S.C. §§ 77e(a) & 77e(c)]; provided, however, that nothing

1 in the foregoing portion of this paragraph shall apply to any
2 security or transaction that is exempt from the provisions of
3 Section 5 of the Securities Act [15 U.S.C. § 77e].

4 V.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
6 Glazov, and his agents, servants, employees and attorneys, and
7 all persons in active concert or participation with any of them,
8 who receive actual notice of this Final Judgment by personal
9 service or otherwise, and each of them, are permanently
10 restrained and enjoined from, directly or indirectly:
11 making use of the mails or means or instrumentalities of
12 interstate commerce to effect transactions in securities, without
13 being registered as brokers or dealers in accordance with Section
14 15(b) of the Exchange Act [15 U.S.C. § 78o(b)], in violation of
15 Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

16 VI.

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

28 *

VII.

IT IS ORDERED, ADJUDGED, AND DECREED that Defendant Glazov pay disgorgement in the amount of \$201,505 within thirty (30) days of the entry of this Final Judgment. Glazov shall also pay prejudgment interest thereon in the amount of \$28,526.69, as per 28 U.S.C. § 1961 within thirty (30) days of the entry of this Final Judgment. Said disgorgement and prejudgment interest shall be paid in the form of a cashier's check, payable to American Growth Capital Corp., and hand-delivered or mailed to Thomas H. Coleman, Esq., Receiver Over American Growth Capital Corp. and American Growth Fund I, LP, Troy & Gould, 1801 Century Park East, Sixteenth Floor, Los Angeles, CA 90067.

VIII.

IT IS ORDERED, ADJUDGED, AND DECREED that Defendant Glazov pay a civil penalty in the amount of \$^{50,000}~~100,000~~, under the *RMT* Securities Enforcement Remedies and Penny Stock Reform Act of 1990, pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)]. Such payment shall be: (1) made by United States postal money order, certified check, bank cashier's check, or bank money order; (2) made payable to the United States Securities and Exchange Commission; (3) hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312; and (4) submitted under cover letter that identifies Glazov as a defendant in this proceeding and states the file number of this proceeding, a copy of which cover letter

1 and money order or check shall be sent to William E. White,
2 Senior Trial Counsel, United States Securities and Exchange
3 Commission, 5670 Wilshire Boulevard, Eleventh Floor, Los Angeles,
4 California 90036.


5 IX.

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

11 * * * * *

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

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16
17 DATED: 3-9-98


HONORABLE RICHARD A. PAEZ
UNITED STATES DISTRICT JUDGE