

ORIGINAL

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Rev. of 11/15/99

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7 ENTERED
CLERK, U.S. DISTRICT COURT
8 FEB 29 2000
9 CENTRAL DISTRICT OF CALIFORNIA
10 BY [Signature] DEPUTY

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

7 FILED
CLERK, U.S. DISTRICT COURT
8 FEB 25 2000
9 CENTRAL DISTRICT OF CALIFORNIA
10 BY [Signature] DEPUTY

11 SECURITIES AND EXCHANGE COMMISSION,
12
13 Plaintiff,
14 v.
15 AMERICAN INTERNET PARTNERS, INC.,
16 AMERICAN INTERNET PARTNERS SAN JOSE,
17 CONNECTEL COMMUNICATIONS, INC.,
18 STEVEN P. HEVELL, and
19 JIM D. JAMES,
20 Defendants.

Civil Action No. 98-1014
CAS (AJWX)

FINAL JUDGMENT OF
PERMANENT INJUNCTION AND
OTHER RELIEF AGAINST
STEVEN P. HEVELL

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

21 Plaintiff Securities and Exchange Commission, having filed
22 and served upon Defendant Steven P. Hevell ("Hevell") a Summons
23 and Complaint in this action; Defendant Hevell having admitted
24 service upon him of the Summons and Complaint in this action and
25 the jurisdiction of this Court over him and over the subject
26 matter of this action; having been fully advised and informed of
27 his right to a judicial determination of this action; having
28 waived the entry of findings of fact and conclusions of law as

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1 provided by Rule 52 of the Federal Rules of Civil Procedure;
2 having consented to the entry of this Final Judgment of Permanent
3 Injunction Against Defendant Steven P. Hevell ("Final Judgment")
4 without admitting or denying any of the allegations in the
5 Complaint, except as specifically set forth in the Consent of
6 Defendant Steven P. Hevell To Entry of Final Judgment of
7 Permanent Injunction and Other Relief ("Consent"); it appearing
8 that no notice of hearing upon the entry of this Final Judgment
9 being necessary; and the Court being fully advised in the
10 premises; and there being no just reason for delay:

11 I.

12 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
13 Hevell and all persons acting in active concert or participation
14 with Hevell, including his agents, servants, employees, and
15 attorneys, who receive actual notice of this Final Judgment by
16 personal service or otherwise, and each of them, are permanently
17 restrained and enjoined from, directly or indirectly:

- 18 A. making use of any means or instruments of
19 transportation or communication in interstate commerce
20 or of the mails to sell the securities of any issuer,
21 through the use or medium of any prospectus or
22 otherwise, unless and until a registration is in effect
23 as to such securities;
- 24 B. carrying or causing to be carried through the mails or
25 in interstate commerce, by any means or instruments of
26 transportation, for the purpose of sale or for delivery
27 after sale, the securities of any issuer, unless and
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1 | circumstances under which they were made, not
2 | misleading; or

3 | C. engaging in any act, practice, or course of business
4 | which operates or would operate as a fraud or deceit
5 | upon any person;

6 | in violation of Section 10(b) of the Securities Exchange Act of
7 | 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5
8 | thereunder [17 C.F.R. § 240.10b-5].

9 | IV.

10 | IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
11 | Hevell pay disgorgement in the amount of \$80,300 representing his
12 | gains from the conduct alleged in the Complaint, plus pre-
13 | judgment interest thereon. Based upon Hevell's sworn
14 | representations in his Statements of Financial Condition dated
15 | June 4, 1997, November 6, 1997, October 1, 1998 and July 31,
16 | 1999, as well as in his sworn Asset Deposition testimony of
17 | November 7, 1997, all submitted to the Commission, payment of all
18 | but \$25,000 of the disgorgement and prejudgment interest thereon
19 | is waived, contingent upon the accuracy and completeness of his
20 | Statements of Financial Condition and truthful Asset Deposition
21 | testimony. Payment of this sum of \$25,000.00 may be made in two
22 | installments. The first installment of \$12,500.00 shall be paid
23 | within thirty (30) days of Entry of Judgment herein. The balance
24 | of \$12,500.00 shall be paid within ninety (90) days of Entry of
25 | Judgment. Hevell shall pay, by cashier's check, certified check
26 | or postal money order, the \$25,000 in disgorgement as set forth
27 | above. Each payment of this total sum of \$25,000 shall be
28 | disgorged and made payable to the United States Securities and

1 Exchange Commission, 450 Fifth Street, N.W., Stop 0-3,
2 Washington, D.C. 20549, under cover of a letter that identifies
3 the defendant, the name and case number of this litigation, and
4 the Court. A copy of such cover letter shall be simultaneously
5 transmitted to Counsel for the Commission in this action at its
6 Los Angeles Office.

7 V.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
9 determination to waive payment of all but \$25,000 of the
10 disgorgement and pre-judgment interest thereon is contingent upon
11 the accuracy and completeness of Hevell's Statements of Financial
12 Condition and Asset Deposition Testimony. If, at any time
13 following the entry of this Final Judgment, the Commission
14 obtains information indicating that Hevell's representations to
15 the Commission concerning his assets, income, liabilities, or net
16 worth were fraudulent, misleading, inaccurate, or incomplete in
17 any material respect as of the time such representations were
18 made, the Commission may, at its sole discretion and without
19 prior notice to Defendant Hevell, petition this Court for an
20 order requiring Defendant Hevell to pay the remaining portion of
21 the disgorgement and prejudgment and postjudgment interest
22 thereon. In connection with any such petition, the only issues
23 shall be whether the financial information provided by Hevell was
24 fraudulent, misleading, inaccurate or incomplete in any material
25 respect as of the time such representations were made. In its
26 petition, the Commission may move this Court to consider all
27 available remedies, including, but not limited to, ordering
28 Hevell to pay funds or assets, directing the forfeiture of

1 assets, or sanctions for contempt of this Final Judgment, and the
2 Commission may also request additional discovery. Hevell may not,
3 by way of defense to such petition, challenge the validity of his
4 Consent or the Final Judgment, or contest the allegations in the
5 Complaint filed by the Commission, the amount of disgorgement and
6 interest or assert that disgorgement should not be ordered. The
7 Court shall determine upon all the evidence before it whether
8 disgorgement shall be awarded, and if so, the amount of such
9 disgorgement.

10 VI.

11 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
12 provisions of the Consent filed concurrently with this Final
13 Judgment are incorporated herein with the same force and effect
14 as if fully set forth herein and that Defendant Hevell shall
15 comply with his Consent.

16 VII.

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

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2 There being no just reason for delay, the Clerk of the Court
3 is hereby directed, pursuant to Rule 54(b) of the Federal Rules
4 of Civil Procedure, to enter this Final Judgment forthwith.
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6 DATED: 2-24-00

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9 CHRISTINA A. SNYDER, JUDGE
UNITED STATES DISTRICT COURT

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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 February 23, 2000, I served the following document(s):

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND
OTHER RELIEF AGAINST STEVEN P. HEVELL**

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 February 23, 2000, at Los Angeles,
California.



Gregory C. Glynn

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MASTER SERVICE LIST

Securities and Exchange Commission

v.

American Internet Partners, Inc. et al.

United States District Court
Case No. CV 98-1014 (CAS) (AJWx)

- 1. **American Internet Partners, Inc.**
19200 Von Karman Avenue, Suite 300
Irvine, CA 92612
- 2. **American Internet Partners San Jose**
19200 Von Karman Avenue, Suite 300
Irvine, CA 92612
- 3. **ConnectTel Communications, Inc.**
19200 Von Karman Avenue, Suite 300
Irvine, CA 92612
- 4. Dan Marmalefsky, Esq.
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Los Angeles, CA 90013

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