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ENT JS-6

FILED CLERK, U.S. DISTRICT COURT
OCT 16 2000
CENTRAL DISTRICT OF CALIFORNIA BY <i>[Signature]</i> DEPUTY

P-SEND

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

11 SECURITIES AND EXCHANGE COMMISSION,
12 Plaintiff,
13 vs.
14 EDWARD R. COX and COX SECURITIES,
15 INC.,

16 Docketed
17 Copies / NTC Sent
18 ~~10/5/JS-6~~
19 ~~10/21/JS-3~~
20 ~~CLOS~~

Case No. SAVC 99-1214 DOC (ANx)

FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST EDWARD R. COX AND COX
SECURITIES, INC.

ENT

OCT 17 2000
CLERK, U.S. DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA SANTA ANA OFFICE BY <i>[Signature]</i> DEPUTY

21 Plaintiff Securities and Exchange Commission ("Commission"),
22 having filed and served upon Defendants Edward R. Cox ("Cox") and
23 Cox Securities, Inc. ("Cox Securities") a Summons and Complaint in
24 this action; Cox and Cox Securities having admitted service upon
25 them of the Summons and Complaint in this action and the
26 jurisdiction of this Court over them and over the subject matter of
27 this action; having been fully advised and informed of their right
28 to a judicial determination of this matter; having waived the entry
of findings of fact and conclusions of law as provided by Rule 52 of
the Federal Rules of Civil Procedure; having consented to the entry

ENTER ON ICMS

FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST EDWARD R. COX AND COX SECURITIES, INC.
OCT 17 2000

1 of this Final Judgment Of Permanent Injunction And Other Relief
2 Against Edward R. Cox and Cox Securities, Inc. ("Final Judgment"),
3 without admitting or denying the allegations in the Complaint except
4 as specifically set forth in the Consent Of Edward R. Cox and Cox
5 Securities, Inc. To Entry Of Final Judgment Of Permanent Injunction
6 And Other Relief ("Consent"); no notice of hearing upon the entry of
7 this Final Judgment being necessary; and this Court being fully
8 advised:

9 I.

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

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

27 in violation of Section 17(a) of the Securities Act of 1933 [15
28 U.S.C. § 77q(a)].

II.

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

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

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

III.

24 IT IS ORDERED, ADJUDGED AND DECREED that Cox and Cox Securities
25 and their agents, servants, employees and attorneys, and all persons
26 in active concert or participation with any of them, who receive
27 actual notice of this Final Judgment by personal service or
28 otherwise, and each of them, are permanently restrained and enjoined

1 from, directly or indirectly, as a member of a national securities
2 exchange or in connection with any securities business transacted
3 through the medium of any such a member failing to (1) make and keep
4 for prescribed periods such records (as defined in Section 3(a)(37)
5 of the Exchange Act), (2) furnish such copies thereof, and (3) make
6 and disseminate such reports as the Commission, by rule, may
7 prescribe as necessary or appropriate in the public interest or for
8 the protection of investors in violation of Section 17(a)(1) of the
9 Exchange Act [15 U.S.C. § 78q(a)(1)] and Rule 17a-3 [17 C.F.R. §
10 240.17a-3] thereunder.

11 **IV.**

12 IT IS ORDERED, ADJUDGED AND DECREED that based upon Cox's and
13 Cox Securities' sworn representations in the Deposition of Edward R.
14 Cox in March 2000, the Commission has determined not to seek civil
15 money penalties pursuant to 15 U.S.C. §§ 77t(d) and 78u(d)(3). The
16 Commission's determination not to seek civil money penalties is
17 contingent upon the accuracy and completeness of the above
18 Deposition. If at any time following the entry of this Final
19 Judgment the Commission obtains information indicating that Cox's or
20 Cox Securities' representations to the Commission concerning their
21 assets, income, liabilities, or net worth were fraudulent,
22 misleading, inaccurate or incomplete in any material respect as of
23 the time such representations were made, the Commission may, at its
24 sole discretion and without prior notice to Cox or Cox Securities,
25 petition this Court for an order modifying this Final Judgment to
26 require other payment of civil money penalties pursuant to 15 U.S.C.
27 §§ 77t(d) and 78u(d)(3). In connection with any such petition, the
28 only issue shall be whether the financial information provided by

1 Cox and Cox Securities was fraudulent, misleading, inaccurate or
2 incomplete in any material respect as of the time such
3 representations were made. In its petition, the Commission may move
4 this Court to consider all available remedies, including, but not
5 limited to, ordering Cox or Cox Securities to pay funds or assets,
6 directing the surrender of any assets, or sanctions for contempt of
7 this Final Judgment, and the Commission may also request additional
8 discovery. Cox and Cox Securities may not, by way of defense to
9 such petition, challenge the validity of this Consent or the Final
10 Judgment, contest the allegations in the Complaint filed by the
11 Commission, the amount of civil money penalties, or assert that
12 civil money penalties should not be ordered.

V.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions
15 of the Consent filed concurrently with this Final Judgment are
16 incorporated by this reference, and that Cox and Cox Securities
17 shall comply with the Consent.

VI.

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

25 DATED: October 16, 2000

David O. Carter
THE HONORABLE DAVID O. CARTER
UNITED STATES DISTRICT JUDGE