

1 SANDRA J. HARRIS, Cal. Bar # 134153  
2 JAMES A. HOWELL, Cal. Bar # 92721  
3 KELLY BOWERS, Cal. Bar # 164007  
4 MARTIN J. MURPHY, Cal. Bar # 130693  
5 NICHOLAS S. CHUNG, Cal. Bar # 192784

ENTERED  
CLERK, U.S. DISTRICT COURT  
JUN - 1 1999  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

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FILED  
CLERK, U.S. DISTRICT COURT  
MAY 28 1999  
CENTRAL DISTRICT OF CALIFORNIA  
DEPUTY

6 Attorneys for Plaintiff  
7 Securities and Exchange Commission  
8 Valerie Caproni, Regional Director  
9 5670 Wilshire Boulevard, 11th Floor  
10 Los Angeles, California 90036-3648  
11 Telephone: (323) 965-3998  
12 Facsimile: (323) 965-3908

13 UNITED STATES DISTRICT COURT  
14 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
15 WESTERN DIVISION

99-05049 SVW (CWx)

16 99 MAY 13 AM 8:56  
17 CLERK U.S. DISTRICT COURT  
18 CENTRAL DISTRICT OF CALIF.  
19 LOS ANGELES

20 SECURITIES AND EXCHANGE COMMISSION,  
21 Plaintiff,

Case No.

JUDGMENT OF PERMANENT INJUNCTION  
AND OTHER RELIEF

22 vs.

23 JONATHAN C. PAPA, PAPA HOLDINGS,  
24 INC., PONZU V, INC., PONZU VI,  
25 INC., EXPRESS 1, INC., AND PAPA  
26 EXP 2, INC.,

27 Defendants.

28 Plaintiff Securities and Exchange Commission ("Commission"),  
having filed and served upon Defendants Jonathan C. Papa ("Papa"),  
Papa Holdings, Inc. ("PHI"), Ponzu V, Inc. ("Ponzu V"), Ponzu VI,  
Inc. ("Ponzu VI"), Express 1, Inc. ("Exp 1"), and Papa Exp 2, Inc.  
("Exp 2") a Summons and Complaint in this action; Papa, PHI, Ponzu  
V, Ponzu VI, Exp 1, and Exp 2, (collectively, the "Defendants")  
having admitted service upon them of the Summons and Complaint in  
this action and the jurisdiction of this Court over them and over  
the subject matter of this action; having been fully advised and  
informed of their rights to a judicial determination of this matter;

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JS-6

THIS CONSTITUTES NOTICE OF ENTRY  
AS REQUIRED BY FRCP, RULE 77(d).

DATE: TRINA WASHINGTON  
BY: [Signature]

1 having waived the entry of findings of fact and conclusions of law  
2 as provided by Rule 52 of the Federal Rules of Civil Procedure;  
3 having consented to the entry of this Judgment Of Permanent  
4 Injunction And Other Relief ("Judgment"), without admitting or  
5 denying the allegations in the Complaint except as specifically set  
6 forth in the Consent Of Defendants To Entry Of Judgment Of Permanent  
7 Injunction And Other Relief ("Consent"); no notice of hearing upon  
8 the entry of this Judgment being necessary; and this Court being  
9 fully advised:

10

I.

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IT IS ORDERED, ADJUDGED AND DECREED that the Defendants and  
12 their officers, agents, servants, employees, attorneys, and all  
13 persons in active concert or participation with any of them, who  
14 receive actual notice of this Judgment, by personal service or  
15 otherwise, and each of them, are permanently restrained and enjoined  
16 from, directly or indirectly:

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- A. making use of any means or instruments or transportation  
or communication in interstate commerce or of the mails to  
sell the securities of any issuer, through the use or  
medium of any prospectus or otherwise, unless and until a  
registration statement is in effect as to such securities;
- B. carrying or causing to be carried through the mails or in  
interstate commerce, by any means or instruments of  
transportation, for the purpose of sale or for delivery  
after sale, the securities of any issuer, unless and until  
a registration statement is in effect as to such  
securities; and

\*

1 C. making use of any means or instruments of transportation  
2 or communication in interstate commerce or of the mails to  
3 offer to sell or offer to buy, through the use or medium  
4 of any prospectus or otherwise, the securities of any  
5 issuer, unless and until a registration statement has been  
6 filed with the Commission as to such securities, or while  
7 a registration statement as to such securities is the  
8 subject of a refusal order or stop order or (prior to the  
9 effective date of the registration statement) any public  
10 proceeding or examination under Section 8 of the  
11 Securities Act [15 U.S.C. § 77h];  
12 in violation of Sections 5(a) and 5(c) of the Securities Act of 1933  
13 ("Securities Act") [15 U.S.C. §§ 77e(a) & 77e(c)]; provided,  
14 however, that nothing in this Judgment shall apply to any security  
15 or transaction which is exempt from the provisions of Section 5 of  
16 the Securities Act [15 U.S.C. § 77e].

17 II.

18 IT IS ORDERED, ADJUDGED AND DECREED that the Defendants and  
19 their agents, servants, employees and attorneys, and all persons in  
20 active concert or participation with any of them, who receive actual  
21 notice of this Judgment by personal service or otherwise, and each  
22 of them, are permanently restrained and enjoined from, directly or  
23 indirectly, in the offer or sale of the securities of any issuer, by  
24 the use of any means or instruments of transportation or  
25 communication in interstate commerce or by the use of the mails:

- 26 A. employing any device, scheme or artifice to defraud;  
27 B. obtaining money or property by means of any untrue  
28 statement of a material fact or any omission to state a

1 material fact necessary in order to make the statements  
2 made, in light of the circumstances under which they were  
3 made, not misleading; or

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

7 in violation of Section 17(a) of the Securities Act [15 U.S.C. §  
8 77q(a)].

9 III.

10 IT IS ORDERED, ADJUDGED AND DECREED that the Defendants and  
11 their agents, servants, employees and attorneys, and all persons in  
12 active concert or participation with any of them, who receive actual  
13 notice of this Judgment by personal service or otherwise, and each  
14 of them, are permanently restrained and enjoined from, directly or  
15 indirectly, in connection with the purchase or sale of any security,  
16 by the use of any means or instrumentality of interstate commerce,  
17 or of the mails, or of any facility of any national securities  
18 exchange:

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

20 B. making any untrue statement of a material fact or  
21 omitting to state a material fact necessary in order to  
22 make the statements made, in the light of the  
23 circumstances under which they were made, not misleading;  
24 or

25 C. engaging in any act, practice, or course of business  
26 which operates or would operate as a fraud or deceit upon  
27 any person;

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1 in violation of Section 10(b) of the Securities Exchange Act of 1934  
2 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. §  
3 240.10b-5].

4 IV.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Papa and PHI  
6 and their agents, servants, employees and attorneys, and all persons  
7 in active concert or participation with any of them, who receive  
8 actual notice of this Judgment, by personal service or otherwise,  
9 and each of them, are permanently restrained and enjoined from  
10 making use of the mails or any means or instrumentality of  
11 interstate commerce to effect any transactions in, or to induce or  
12 attempt to induce the purchase or sale of, any security (other than  
13 an exempted security or commercial paper, banker's acceptances, or  
14 commercial bills) without being registered as a broker or dealer  
15 pursuant to Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)],  
16 in violation of Section 15(a)(1) of the Exchange Act [15 U.S.C. §  
17 78o(a)(1)].

18 V.

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

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1 | the Federal Rules of Evidence or the United States Constitution and  
2 | amendments thereto.

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VI.

4 | IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Papa and PHI  
5 | shall pay disgorgement in an amount subsequently to be determined by  
6 | the Court. Papa and PHI shall further pay pre-judgment interest on  
7 | the amount of disgorgement. The pre-judgment interest shall be  
8 | calculated pursuant to 28 U.S.C. § 1961. The total amount of  
9 | disgorgement and pre-judgment interest shall be determined by the  
10 | Court on motion or at trial in accordance with the Federal Rules of  
11 | Civil Procedure. Papa and PHI shall not raise as a defense that  
12 | they are not liable for the payment of such disgorgement because  
13 | they did not violate one or more of the provisions of the Securities  
14 | Act or Exchange Act and rules thereunder set forth in the Judgment.

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VII.

16 | IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Papa shall pay  
17 | to the Commission for delivery to the United States Treasury, civil  
18 | penalties in an amount to be determined by the Court on motion or at  
19 | trial in accordance with the Federal Rules of Civil Procedure. In  
20 | connection with any hearing to determine the appropriate amount of  
21 | civil penalties, Papa shall not raise as a defense that he is not  
22 | liable for the payment of such civil penalties because he did not  
23 | violate one or more of the provisions of the Securities Act or  
24 | Exchange Act and rules thereunder as set forth in the Judgment.

25 |

VIII.

26 | IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions  
27 | of the Consent filed concurrently with this Judgment are  
28 | incorporated herein with the same force and effect as if fully set

