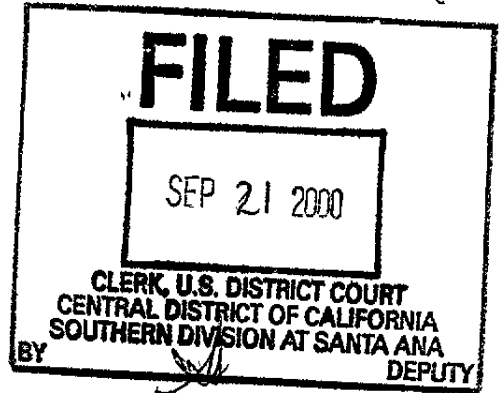


1 SANDRA J. HARRIS, Cal. Bar # 134153
 DIANA K. TANI, Cal. Bar #136656
 2 JANET R. RICH, Cal. Bar #137023

3 Attorneys for Plaintiff
 4 Securities and Exchange Commission
 Valerie Caproni, Regional Director
 5 5670 Wilshire Boulevard, 11th Floor
 Los Angeles, California 90036
 6 Telephone: (323) 965-3998
 Fax: (323) 965-3908



RECEIVED
BUT NOT FILED

LODGED

AUG 31 2000

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA
DEPUTY

Case No. SACV 99-1237 DOC (EEx)

FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT JAMES S.
EBERHART

Plaintiff,

vs.

DEBISYS, INC.;
MARK T. FLANAGAN;
JAMES S. EBERHART;

Defendants.

ENTERED

SEP 21 2000

CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA OFFICE

DEPUTY

13
14
15
16
17
18
19
20 Plaintiff Securities and Exchange Commission ("Commission"),
 21 having filed and served upon Defendant James S. Eberhart
 22 ("Eberhart") a Summons and Complaint in this action; the Court
 23 having granted the Commission's Motion for Entry of Default and
 24 Default Judgment Against Eberhart; and the Court being fully
 25 advised:

26 I.

27 IT IS ORDERED, ADJUDGED, AND DECREED that Eberhart and his
 28 agents, servants, employees and attorneys, and all persons in active

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

ENTER ON ICMS

SEP 21 2000

15

1 concert or participation with any of them, who receive actual notice
2 of this Final Judgment, by personal service or otherwise, and each
3 of them, are permanently restrained and enjoined from, directly or
4 indirectly:

5 A. making use of any means or instruments of transportation
6 or communication in interstate commerce or of the mails to
7 sell the securities of any issuer, through the use or
8 medium of any prospectus or otherwise, unless and until a
9 registration statement is in effect as to such securities;

10 B. carrying or causing to be carried through the mails or in
11 interstate commerce, by any means or instruments of
12 transportation, for the purpose of sale or for delivery
13 after sale, the securities of any issuer, unless and until
14 a registration statement is in effect as to such
15 securities; and

16 C. making use of any means or instruments of transportation
17 or communication in interstate commerce or of the mails to
18 offer to sell or offer to buy, through the use or medium
19 of any prospectus or otherwise, the securities of any
20 issuer, unless and until a registration statement has been
21 filed with the Commission as to such securities, or while
22 a registration statement as to such securities is the
23 subject of a refusal order or stop order or (prior to the
24 effective date of the registration statement) any public
25 proceeding or 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 of 1933
28 ("Securities Act") [15 U.S.C. §§ 77e(a) & 77e(c)]; provided,

1 however, that nothing in Part I of this Judgment shall apply to any
2 security or transaction which is exempt from the provisions of
3 Section 5 of the Securities Act [15 U.S.C. § 77e].

4 II.

5 IT IS ORDERED, ADJUDGED AND DECREED that Eberhart and his
6 agents, servants, employees and attorneys, and all persons in active
7 concert or participation with any of them, who receive actual notice
8 of this Final Judgment, by personal service or otherwise, and each
9 of them, are permanently restrained and enjoined from, directly or
10 indirectly, in the offer or sale of the securities of any issuer, by
11 the use of any means or instruments of transportation or
12 communication in interstate commerce or by the use of the mails:

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

14 B. obtaining money or property by means of any untrue
15 statement of a material fact or any omission to state a
16 material fact necessary in order to make the statements
17 made, in light of the circumstances under which they were
18 made, not misleading; or

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

22 in violation of Section 17(a) of the Securities Act [15 U.S.C.
23 § 77q(a)].

24 III.

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

1 of them, are permanently restrained and enjoined from, directly or
2 indirectly, in connection with the purchase or sale of any security,
3 by the use of any means or instrumentality of interstate commerce,
4 or of the mails, or of any facility of any national securities
5 exchange:

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

7 B. making any untrue statement of a material fact or omitting
8 to state a material fact necessary in order to make the
9 statements made, in the light of the circumstances under
10 which they were made, not misleading; or

11 C. engaging in any act, practice, or course of business which
12 operates or would operate as a fraud or deceit upon any
13 person;

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

17 IV.

18 IT IS ORDERED, ADJUDGED AND DECREED that Eberhart and his
19 agents, servants, employees and attorneys, and all persons in active
20 concert or participation with any of them, who receive actual notice
21 of this Final Judgment, by personal service or otherwise, and each
22 of them, are permanently restrained and enjoined from making use of
23 the mails or any means or instrumentality of interstate commerce to
24 effect any transactions in, or to induce or attempt to induce the
25 purchase or sale of, any security (other than an exempted security
26 or commercial paper, banker's acceptances, or commercial bills)
27 without being registered as a broker or dealer pursuant to
28 Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)], in violation

1 of Section 15(a)(1) of the Exchange Act [15 U.S.C. § 78o(a)(1)].

2 V.

3 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Eberhart pay
4 disgorgement in the amount of \$76,102, plus pre-judgment interest
5 calculated pursuant to 28 U.S.C. § 1961 in the amount of \$ 3,625.30.
6 Eberhart shall pay, by cashier's check, certified check or postal
7 money order, the \$79,727.30 in disgorgement within thirty days of
8 entry of this Final Judgment. This disgorgement payment shall be
9 made payable to the United States Treasury, and shall be transmitted
10 to the Comptroller, Securities and Exchange Commission, Operations
11 Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312,
12 under cover of a letter that identifies the defendant, the name and
13 case number of this litigation, and the court. A copy of the cover
14 letter shall be simultaneously transmitted to counsel for the
15 Commission in this action at its Los Angeles Office.

16 VI.

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Eberhart is
18 assessed, and shall pay to the Commission for delivery to the United
19 States Treasury, civil penalties in the amount of \$76,102 under the
20 Securities Enforcement and Penny Stock Reform Act of 1990 pursuant
21 to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
22 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78(d)(3)].
23 Eberhart shall pay the above penalty within 30 days of entry of this
24 Final Judgment. This payment shall be made by cashier's check,
25 certified check or postal money order, payable to the United States
26 Treasury, and shall be transmitted to the Comptroller, Securities
27 and Exchange Commission, Operations Center, 6432 General Green Way,
28 Stop 0-3, Alexandria, VA 22312, under cover of a letter which

1 identifies the defendant, the name and case number of this
2 litigation and the name of the Court. A copy of the cover letter
3 shall be simultaneously transmitted to counsel for the Commission at
4 its Los Angeles office.

5 VII.

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

11 * * * * *

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

15 DATED: September 21, 2000

Mauril O. Cantor
UNITED STATES DISTRICT JUDGE

17 Presented by:

18
19 Janet Rich
20 Janet R. Rich
21 Attorney for Plaintiff
22 Securities and Exchange Commission
23
24
25
26
27
28

SEC v. DEBISYS, INC., et al.
Case No. SA CV 99-1237 DOC (EEx)
LA-906

SERVICE LIST

James S. Eberhart
2458 Newport #191
Costa Mesa, California 92627

CERTIFICATE OF SERVICE of

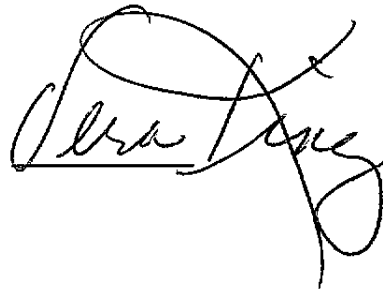
I, Vera King, am over the age of 18 years, not a party to the within action, and a citizen of the United States. My business address is 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036. On August 31, 2000, at the direction of a member of the bar of this Court I served the FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT JAMES S. EBERHART by causing to be mailed true and correct copies thereof in sealed envelopes, postage paid, addressed to:

James S. Eberhart
2458 Newport #191
Costa Mesa, California 92627

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

DATED: August 31, 2000

Vera King

A handwritten signature in black ink, appearing to read 'Vera King', with a large, stylized flourish extending from the end of the name.