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12 UNITED STATES DISTRICT COURT  
13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

15 SECURITIES AND EXCHANGE COMMISSION,  
16 Plaintiff,  
17 vs.  
18 CHARLES S. STRAUCH and CHARLES W.  
MCBRAYER,  
19 Defendants.  
20

Case No. SACV99-1384GLT(EEEX)  
FINAL JUDGMENT AS TO  
CHARLES W. MCBRAYER

21 Defendant Charles W. McBrayer has entered a general  
22 appearance herein; admitted the jurisdiction of this Court over  
23 him and over the subject matter of this action; waived the filing  
24 of an answer to the complaint; waived the entry of findings of  
25 fact and conclusions of law pursuant to Rule 52 of the Federal  
26 Rules of Civil Procedure, and without admitting or denying the  
27 allegations of the complaint, except as to jurisdiction, which he  
28 admitted, and without trial, argument, or adjudication of any

PS END (NO JS6)

FILED

NOV 18 1999

CLERK, U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION AT SAN FRANCISCO

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AM 10:19  
CLERK OF COURT  
SAN FRANCISCO

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1 issue of fact or law, findings of fact, or conclusions of law, all  
2 of which he waived, consented to the entry of this final judgment.  
3 It further appearing that this Court has jurisdiction over  
4 McBrayer and the subject matter hereof, it is hereby ordered,  
5 adjudged and decreed pursuant to Rule 54(b) of the Federal Rules  
6 of Civil Procedure as follows:

7 I.

8 McBrayer, his agents, servants, employees, attorneys-in-fact,  
9 successors, and assigns and all those persons in active concert or  
10 participation with them who receive actual notice of this final  
11 judgment by personal service or otherwise, and each of them, be  
12 and they hereby are permanently restrained and enjoined from  
13 violating Section 10(b) of the Securities Exchange Act of 1934  
14 (Exchange Act) and Rule 10b-5 promulgated thereunder [15 U.S.C. §  
15 78j(b) and 17 C.F.R. § 240.10b-5], directly or indirectly, by the  
16 use of any means or instrumentality of interstate commerce, or of  
17 the mails, or of any facility of any national securities exchange:

18 A. to employ any device, scheme, or artifice to defraud;

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

23 C. to engage in any act, practice, or course of business  
24 which operates or would operate as a fraud or deceit  
25 upon any person,

26 in connection with the purchase or sale of any security.  
27  
28



1 78m(b) (2) (A) and 78m(b) (2) (B) and 17 C.F.R. §§ 240.12b-20 and  
2 240.13a-13], by directly or indirectly:

- 3       A.     filing or causing to be filed with the Securities and  
4             Exchange Commission any report required to be filed with  
5             the Commission pursuant to Section 13(a) of the Exchange  
6             Act [15 U.S.C. § 78m(a)] and the rules and regulations  
7             promulgated thereunder, which contains any untrue  
8             statement of material fact, which omits to state any  
9             material fact necessary in order to make the statements  
10            made, in light of the circumstances under which they  
11            were made, not misleading, or which omits to disclose  
12            any information required to be disclosed;
- 13       B.     failing to make and keep books, records, and accounts,  
14             which, in reasonable detail, accurately and fairly  
15             reflect the transactions and dispositions of the assets  
16             of any issuer; or
- 17       C.     failing to devise and maintain a system of internal  
18             accounting controls sufficient to provide reasonable  
19             assurances that: (1) transactions are executed in  
20             accordance with management's general or specific  
21             authorization; (2) transactions are recorded as  
22             necessary to permit preparation of financial statements  
23             in conformity with generally accepted accounting  
24             principles or any other criteria applicable to such  
25             statements, and to maintain accountability for assets;  
26             (3) access to assets is permitted only in accordance  
27             with management's general or specific authorization; and  
28             (4) the recorded accountability for assets is compared

1 with the existing assets at reasonable intervals and  
2 appropriate action is taken with respect to any  
3 differences.

4 IV.

5 McBrayer shall be assessed and shall pay \$25,000 as a civil  
6 penalty pursuant to Section 21(d)(3) of the Exchange Act [15  
7 U.S.C. § 78u(d)(3)]. The Court hereby orders McBrayer to pay the  
8 \$25,000 within ten days from the date of entry of this judgment,  
9 by check made payable to the Securities and Exchange Commission,  
10 and sent to the Comptroller, U.S. Securities and Exchange  
11 Commission, Operations Center, 6432 General Green Way, Stop 0-3,  
12 Alexandria, VA 22312, under cover of a letter that identifies  
13 McBrayer, the caption and case number of this action, the name of  
14 this Court, and the Commission's file number (HO-3128). Copies of  
15 the check and accompanying cover letter shall be simultaneously  
16 transmitted to the Secretary of the Commission, Office of the  
17 Secretary, 450 Fifth Street, N.W., Washington, D.C. 20549-0609 and  
18 counsel for the Commission, Kathleen M. Hamm, 450 Fifth Street,  
19 N.W., Washington, D.C. 20549-0806. In the event that McBrayer  
20 does not make full payment within ten days of entry of this final  
21 judgment, he shall pay postjudgment interest, at the rate  
22 prescribed by 28 U.S.C. § 1961, on any unpaid amount accruing from  
23 the tenth day after entry of judgment through the date of payment.

24 V.

25 In accordance with the terms of his consent, McBrayer agrees  
26 and undertakes that, at the request of the Commission, on  
27 reasonable notice and without service of a subpoena, subject to  
28 the assertion of the applicable privileges described below, he

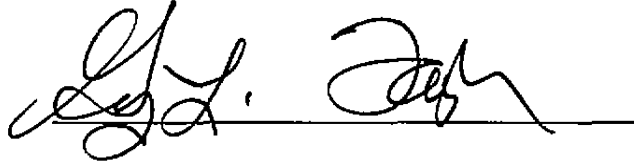
1 will (a) cooperate with the Commission and its staff and  
2 truthfully disclose all information with respect to his activities  
3 and the activities of others about which the Commission or its  
4 staff may inquire in connection with the subject matter of the  
5 Commission's investigation entitled In the Matter of Capital  
6 Insight Brokerage, HO-3128, and related matters; (b) testify in  
7 all investigations and administrative and judicial proceedings at  
8 which the Commission or its staff requests his testimony in  
9 connection with the subject matter of the Commission's  
10 investigation entitled In the Matter of Capital Insight Brokerage,  
11 HO-3128, and related matters; (c) make himself available at all  
12 reasonable times as may be required by the Commission or its staff  
13 in connection with the subject matter of the Commission's  
14 investigation entitled In the Matter of Capital Insight Brokerage,  
15 HO-3128, and related matters; and (d) produce any documents within  
16 his possession, custody or control, domestic or foreign, which are  
17 requested by the Commission or its staff in connection with the  
18 subject matter of the Commission's investigation entitled In the  
19 Matter of Capital Insight Brokerage, HO-3128, and related matters.  
20 At all times, McBrayer agrees to give truthful and accurate  
21 information and testimony and not to assert any evidentiary or  
22 other privilege in connection with the undertakings set forth in  
23 this paragraph, other than the attorney-client privilege and the  
24 Fifth Amendment privilege against self-incrimination. McBrayer  
25 understands that his failure to testify truthfully or to comply  
26 with the above undertakings may result in contempt proceedings or  
27 charges of perjury and obstruction of justice.

28

VI.

There being no just cause for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this final judgment forthwith.

So ordered, this 16<sup>th</sup> day of November 1999, at Wash DC



UNITED STATES DISTRICT JUDGE

GARY L. TAYLOR