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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff,  
vs.  
CHARLES S. STRAUCH and CHARLES W.  
MCBRAYER,  
Defendants.

Case No. SACV 99-1384 GLT (EX)

FINAL JUDGMENT AS TO  
CHARLES S. STRAUCH

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

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

6 I.

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

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

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

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

25 in connection with the purchase or sale of any security.

26 II.

27 Strauch shall be assessed and shall pay \$25,000 as a civil  
28 penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C.

1 § 78u(d)(3)]. The Court hereby orders Strauch to pay the \$25,000  
2 within ten days from the date of entry and filing of this judgment,  
3 by check made payable to the Securities and Exchange Commission, and  
4 sent to the Comptroller, U.S. Securities and Exchange Commission,  
5 Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA  
6 22312, under cover of a letter that identifies Strauch, the caption  
7 and case number of this action, the name of this Court, and the  
8 Commission's file number (HO-3128). Copies of the check and  
9 accompanying cover letter shall be simultaneously transmitted to the  
10 Secretary of the Commission, Office of the Secretary, 450 Fifth  
11 Street, N.W., Washington, D.C. 20549-0609 and counsel for the  
12 Commission, Kathleen M Hamm, 450 Fifth Street, N.W., Washington,  
13 D.C. 20549-0806. In the event that Strauch does not make full  
14 payment within ten days of entry and filing of this final judgment,  
15 he shall pay postjudgment interest, at the rate prescribed by 28  
16 U.S.C. § 1961, on any unpaid amount accruing from the tenth day  
17 after entry and filing of judgment through the date of payment.

18 III.

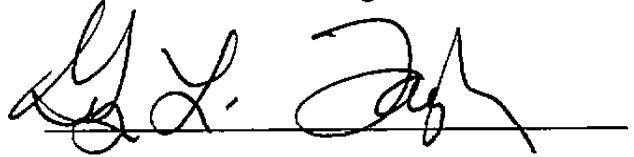
19 In accordance with the terms of his consent, Strauch agrees and  
20 undertakes that, at the request of the Commission, on reasonable  
21 notice and without service of a subpoena, subject to the assertion  
22 of the applicable privileges described below, he will (a) cooperate  
23 with the Commission and its staff and truthfully disclose all  
24 information with respect to his activities and the activities of  
25 others about which the Commission or its staff may inquire in  
26 connection with the subject matter of the Commission's investigation  
27 entitled *In the Matter of Capital Insight Brokerage*, HO-3128, and  
28 related matters; (b) testify in all investigations and

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

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 San Francisco, California.



UNITED STATES DISTRICT JUDGE

GARY L. TAYLOR