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FILED
CLERK, U.S. DISTRICT COURT
APR - 7 2000
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

3 Attorneys for Plaintiff
4 Securities and Exchange Act
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8 UNITED STATES DISTRICT COURT
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION

RECORDED
APR 4 2 03 PM '00
CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY

11 SECURITIES AND EXCHANGE COMMISSION,
12 Plaintiff,
13 vs.
14 eCONNECT and THOMAS S. HUGHES,
15 Defendants.

Case No. CV 00-02959 MMM (RCx)
16 JUDGMENT OF PERMANENT INJUNCTION
17 AGAINST THOMAS S. HUGHES

18
19 Plaintiff Securities and Exchange Commission ("Commission"),
20 having filed and served upon Defendant Thomas S. Hughes ("Hughes") a
21 Summons and Complaint in this action; Hughes having admitted service
22 upon him of the Summons and Complaint in this action and the
23 jurisdiction of this Court over him and over the subject matter of
24 this action; having been fully advised and informed of his right to
25 a judicial determination of this matter; having waived the entry of
26 findings of fact and conclusions of law as provided by Rule 52 of

27 Docketed
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1 ("Judgment") without admitting or denying the allegations in the
2 Complaint, except as specifically set forth in the Consent Of Thomas
3 S. Hughes To Entry Of Judgment Of Permanent Injunction ("Consent");
4 no notice of hearing upon the entry of this Judgment being
5 necessary; and this Court being fully advised:

6 I.

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

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

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

21 C. engaging in any act, practice, or course of business
22 which operates or would operate as a fraud or deceit upon
23 any person;

24 in violation of Section 10(b) of the Securities Exchange Act of 1934
25 [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R.
26 § 240.10b-5].

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II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Hughes shall provide all documents in his possession, custody or control to the Commission and disclose under oath all information with respect to his activities and the activities of others about which the Commission or its staff may inquire or request. Such production of documents and disclosure of information by Hughes shall be made upon reasonable notice in writing and without the service of a subpoena and subject only to the good faith assertion of any privileges recognizable pursuant to the provisions of Rule 501 of the Federal Rules of Evidence or the United States Constitution and amendments thereto.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Hughes shall pay disgorgement, if any, plus prejudgment interest thereon, in an amount subsequently to be determined by the Court. In connection with any hearing to determine the appropriate amount of disgorgement, Hughes shall not raise as a defense that he is not liable for the payment of such disgorgement because he did not violate one or more of the provisions of the Exchange Act and rules thereunder set forth in the Judgment.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for purposes of determining whether civil penalties will be assessed against Hughes pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] as appropriate. In connection with any hearing to determine the appropriate amount of civil penalties, Hughes shall

1 not raise as a defense that he is not liable for the payment of such
2 civil penalties because he did not violate one or more of the
3 provisions of the Exchange Act and rules thereunder set forth in the
4 Judgment.

5
6 **V.**

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions
8 of the Consent filed concurrently with this Judgment are
9 incorporated herein with the same force and effect as if fully set
10 forth herein and that Hughes shall comply with his Consent.

11 **VI.**

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court
13 shall retain jurisdiction over this action for all purposes,
14 including to determine the liability of any remaining defendants in
15 this action, to implement and enforce the terms of this Judgment and
16 other orders and decrees which may be entered, to resolve the
17 Commission's pending claims for civil penalties as appropriate, and
18 to grant such other relief as this Court may deem necessary and
19 just.

20 **VII.**

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

24 DATED: April 6, 2000

Margaret M. Morrison
UNITED STATES DISTRICT JUDGE

25 Submitted By:

26
27 Roberto A. Tercero
28 Attorney for Plaintiff
Securities and Exchange Commission

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

United States Securities and Exchange Commission, Pacific Regional Office, 11th Floor, 5670 Wilshire Boulevard, Los Angeles, California 90036-3648, Fax: (323) 965-3908.

On April 4, 2000, I served the foregoing document entitled **JUDGMENT OF PERMANENT INJUNCTION AGAINST THOMAS S. HUGHES** on all parties to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this firm's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

PERSONAL SERVICE: I personally delivered each such envelope by hand to the office of the addressee.

FEDERAL EXPRESS: By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

FAX (BY AGREEMENT ONLY): By transmitting the document by facsimile transmission at the time shown on the attached transmission report. The transmission was reported as complete and without error, and the attached transmission report was properly issued by the transmitting fax machine.

(Federal) I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made.

Date: April 4, 2000

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 SEC v. eCONNECT and THOMAS S. HUGHES
2 United States District Court - Central District of California
3 Case No. CV 00-02959 AHM (RCx)
4 (LA-2312)

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