

CLERK
U.S. DISTRICT COURT
SEP 22 2004

FILED
CLERK, U.S. DISTRICT COURT
SEP 22 2004
CENTRAL DISTRICT OF CALIFORNIA
DEPUTY

1 JOSE F. SANCHEZ, Cal. Bar No. 161362
2 Attorney for Plaintiff
3 Randall R. Lee, Regional Director
4 Sandra J. Harris, Associate Regional Director
5 Briane Nelson Mitchell, Associate Regional Director
6 Securities and Exchange Commission
7 5670 Wilshire Boulevard, 11th Floor
8 Los Angeles, California 90036-3648
9 Telephone: (323) 965-3998
10 Facsimile: (323) 965-3908

11 **UNITED STATES DISTRICT COURT**

12 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**

13 **WESTERN DIVISION**

14 **SECURITIES AND EXCHANGE
15 COMMISSION,**

16 Plaintiff,

17 vs.

18 **BRIAN E. PRIDGEON, STEPHON A.
19 CARRADINE, and CRAIG L. SMITH,**

20 Defendants.

21 Case No. CV 00-9375 FMC (RZx)

22 **JUDGMENT OF PERMANENT
23 INJUNCTION AND OTHER
24 RELIEF AGAINST DEFENDANT
25 BRIAN E. PRIDGEON**

26 Plaintiff Securities and Exchange Commission ("Commission"), having
27 filed and served upon Defendant Brian E. Pridgeon ("Defendant") a Summons and
28 Complaint in this action; Pridgeon having admitted service upon him of the
Summons and Complaint in this action and the jurisdiction of this Court over him
and over the subject matter of this action; having been fully advised and informed
of his right to a judicial determination of this matter; having waived the entry of
findings of fact and conclusions of law as provided by Rule 52 of the Federal
Rules of Civil Procedure; having consented to the entry of this Judgment of
Permanent Injunction and Other Relief Against Brian E. Pridgeon ("Judgment"),
without admitting or denying the allegations in the Complaint, except as
specifically set forth herein and in the Consent of Brian E. Pridgeon to Entry of

DOCKETED ON 09/23/04
SEP 23 2004
BY [Signature] 005

34

LOGGED

SEP 21 PM 3:42
CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

FILED
U.S. DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

1 Judgment of Permanent Injunction and Other Relief (“Consent”); no notice of
2 hearing upon the entry of this Judgment being necessary; and this Court being
3 fully advised:

4 I.

5 IT IS ORDERED, ADJUDGED AND DECREED that Defendant Pridgeon,
6 and his officers, agents, servants, employees, attorneys, subsidiaries and affiliates,
7 and those persons in active concert or participation with any of them who receive
8 actual notice of this Order, by personal service or otherwise; and each of them, be
9 and hereby are permanently restrained and enjoined from, directly or indirectly, in
10 connection with the purchase or sale of any security, by the use of any means or
11 instrumentality of interstate commerce, or of the mails, or of any facility of any
12 national securities exchange:

- 13 A. employing any device, scheme, or artifice to defraud;
- 14 B. making any untrue statement of a material fact or omitting to state a
15 material fact necessary in order to make the statements made, in the
16 light of the circumstances under which they were made, not
17 misleading; or
- 18 C. engaging in any act, practice, or course of business which operates or
19 would operate as a fraud or deceit upon any person

20 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule
21 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

22 II.

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that the
24 Court retains jurisdiction to determine appropriate amounts of disgorgement,
25 prejudgment interest, and civil penalties that shall be paid by Defendant Pridgeon
26 for the conduct alleged in the Commission’s Complaint. Prejudgment interest
27 shall be calculated pursuant to 28 U.S.C. § 1961 based on the date of entry of the
28 order fixing the amount of disgorgement. In connection with any hearing to

FILED
U.S. COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

1 determine the appropriate amounts of disgorgement and civil penalties, Defendant
2 Pridgeon shall not raise as a defense that his is not liable for payment of
3 disgorgement or civil penalties because he did not violate the provisions of the
4 Securities Act, the Exchange Act, or rules thereunder as set forth in the Complaint.
5 Solely for the purposes of determining the amounts of disgorgement and civil
6 penalties, the Court shall accept and deem as true all facts alleged in the
7 Commission's Complaint, except that Pridgeon will be allowed to argue as a
8 factual matter that he realized profits in an amount other than as alleged in
9 paragraph 19 of the Complaint. Defendant Pridgeon shall not be entitled to a trial
10 by jury for purposes of determining the appropriate amounts of disgorgement or
11 civil penalties.

12 **III.**

13 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
14 provisions of the Consent filed concurrently with this Judgment are incorporated
15 herein with the same force and effect as if fully set forth herein and that Defendant
16 Pridgeon shall comply with his Consent.

17 **IV.**

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that during
19 the pendency of this action against any defendant, Defendant Pridgeon shall
20 remain subject to the discovery provisions of the Federal Rules of Civil Procedure
21 which apply to parties, and, in addition, that Defendant Pridgeon agrees and
22 undertakes, without service of a subpoena, to appear for his deposition or to testify
23 as a witness at any trial of this action or at any related proceeding. Failure to
24 comply with the foregoing will subject Defendant Pridgeon to the remedies and
25 sanctions set forth in Rule 37 of the Federal Rules of Civil Procedure and all other
26 available remedies.

27 **V.**

28 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this

RECEIVED
SEP 22 2004


1 Court shall retain jurisdiction over this action for all purposes, including
2 implementing and carrying out the terms of this Judgment and all other orders
3 which may be entered herein, to resolve the Commission's pending claims against
4 Defendant Pridgeon for disgorgement, prejudgment interest, and civil penalties,
5 and to entertain any suitable application or motion for additional relief within the
6 jurisdiction of this Court.

7 VI.

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

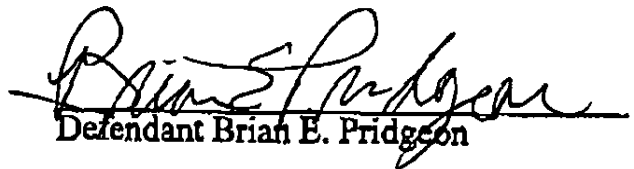
11
12 IT IS SO ORDERED.

13
14 DATED: Sept 22, 2004


The Honorable Florence-Marie Cooper
UNITED STATES DISTRICT JUDGE

15
16
17
18 APPROVED AS TO FORM AND CONTENT:

19
20
21 DATED: 9-20, 2004


Defendant Brian E. Pridgeon

SCANNED

PROOF OF SERVICE

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

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036.

Telephone: (323) 965-3998 Fax: (323) 965-3908

On September 21, 2004, I served the document entitled **JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT BRIAN E. PRIDGEON** upon the 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 agency'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 caused to be 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. The transmission was reported as complete and without error.

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

Date: September 21, 2004

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 **SEC v. BRIAN E. PRIDGEON, et al.**
2 **United States District Court - Central District of California**
3 **Case No. CV 00-09375 FMC (RZx)**
 (LA-2256)

RECEIVED

4 SERVICE LIST

5 Jonathan Schwartz, Esq.
6 Law Offices of Jonathan Schwartz
7 4676 Admiralty Way, Suite 503
 Marina del Rey, CA 90292-6606
8 *Attorney for Defendant Brian E. Pridgeon*

9 Brian E. Pridgeon
10 3520 Pleasant Row Court
 San Jose, CA 95148

11 Stephon A. Carradine
12 8024 East Damar Street
13 Long Beach, CA 90808
 In Pro Per

14 Stephon A. Carradine
15 Century 21 Success
16 5816 Downey Avenue
 Long Beach, CA 90805
17 *In Pro Per*

18 Craig L. Smith
19 581-101 Holbrook Court
 Long Beach, CA 90803
20 *In Pro Per*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28