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FILED
MAR 9 1998
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY

7 UNITED STATES DISTRICT COURT
8 CENTRAL DISTRICT OF CALIFORNIA
9 WESTERN DIVISION

ENTERED
MAR 10 1998
U.S. DISTRICT COURT

10 THIS CONSTITUTES NOTICE OF ENTRY
11 AS REQUIRED BY FRCP, RULE 77(d).

12 _____ :
13 SECURITIES AND EXCHANGE COMMISSION, :
14 Plaintiff, :
15 v. :
16 WESTERN EXECUTIVE GROUP, INC., :
17 CHARLES R. RIETZ, ROBERT R. :
18 PARRISH, ROBERT J. STRUTH, AND :
19 R. STEPHEN EDGEL, :
20 Defendants. :

Civil Case No.:
96-6938 GHK (JGx)
[PROPOSED] JUDGMENT
AGAINST DEFENDANTS
CHARLES R. RIETZ, ROBERT
R. PARRISH, ROBERT J.
STRUTH, AND R. STEPHEN
EDGEL
2
Date: March 1, 1998
Time: 9:30 a.m.
Courtroom: 660 of the
Roybal Federal Building

21 This matter is before the Court on an Application by
22 Plaintiff Securities and Exchange Commission (the "Commission")
23 for the entry of a judgment against defendants Charles R. Rietz
24 ("Rietz"), Robert R. Parrish ("Parrish"), Robert J. Struth
25 ("Struth") and R. Stephen Edgel ("Edgel").

26 It appearing that the Commission having filed and served
27 upon Rietz, Parrish, Struth and Edgel a Complaint and Summons in
28 this matter; the Court having stricken the Answer of Defendants

1 Rietz, Parrish, Struth and Edgel for abuse of the discovery
2 process and for violating the orders of this Court; the Court
3 having entered a default against Rietz, Parrish, Struth and
4 Edgel; and the Court being fully advised in the premises:

5 I.

6 IT IS HEREBY ORDERED that Plaintiff's Application for
7 Judgment Against Defendants Charles R. Rietz, Robert R. Parrish,
8 Robert J. Struth and R. Stephen Edgel is GRANTED.

9 II.

10 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Rietz,
11 Parrish, Struth and Edgel, and their agents, servants, employees
12 and attorneys, and all persons in active concert or participation
13 with any of them, who receive actual notice of this Judgment by
14 personal service or otherwise, and each of them, are permanently
15 restrained and enjoined from, in the offer or sale of the
16 securities of any issuer, by the use of any means or instruments
17 of transportation or communication in interstate commerce or by
18 the use of the mails, directly or indirectly:

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

20 B. obtaining money or property by means of any untrue
21 statement of a material fact or any omission to state a
22 material fact necessary in order to make the statements
23 made, in the light of the circumstances under which
24 they were made, not misleading; or

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1 C. engaging in any transaction, practice, or course of
2 business which operates or would operate as a fraud
3 or deceit upon the purchaser;
4 in violation of Section 17(a) of the Securities Act of 1933
5 ("Securities Act") [15 U.S.C. § 77q(a)].

6 III.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Rietz,
8 Parrish, Struth and Edgel, and their agents, servants, employees
9 and attorneys, and all persons in active concert or participation
10 with any of them, who receive actual notice of this Judgment by
11 personal service or otherwise, and each of them, are permanently
12 restrained and enjoined from, directly or indirectly, by the use
13 of 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
18 to make the statements made, in the light of the
19 circumstances under which they were made, not
20 misleading; or

21 C. engaging in any act, practice, or course of business
22 which operates or would operate as a fraud or deceit
23 upon any person, in connection with the purchase or
24 sale of any security,
25 in violation of Section 10(b) of the Securities Exchange Act of
26 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5
27 thereunder [17 C.F.R. § 240.10b-5].

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IV.

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2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Rietz,
3 Parrish, Struth and Edgel, and their agents, servants, employees
4 and attorneys, and all persons in active concert or participation
5 with any of them, who receive actual notice of this Judgment by
6 personal service or otherwise, and each of them, are permanently
7 restrained and enjoined from, directly or indirectly:

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

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

20 C. making use of any means or instruments of
21 transportation or communication in interstate commerce
22 or of the mails to offer to sell or offer to buy,
23 through the use or medium of any prospectus or
24 otherwise, the securities of any issuer, unless and
25 until a registration statement has been filed with the
26 Commission as to such securities, or while a
27 registration statement as to such securities is the
28 subject of a refusal order or stop order or (prior to

1 the effective date of the registration statement) any
2 public proceeding of examination under Section 8 of the
3 Securities Act, as amended [15 U.S.C. § 77(h)];
4 in violation of Sections 5(a) and 5(c) of the Securities Act [15
5 U.S.C. §§ 77e(a) and 77e(c)].

6 V.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Parrish,
8 Struth and Edgel, and their agents, servants, employees and
9 attorneys, and all persons in active concert or participation
10 with any of them, who receive actual notice of this Judgment by
11 personal service or otherwise, and each of them, are permanently
12 restrained and enjoined from violating Section 15(a) of the
13 Exchange Act [15 U.S.C. §78o(a)], directly or indirectly, by the
14 use of the mails or the means or instrumentalities of interstate
15 commerce, to effect transactions in, or to induce or attempt to
16 induce the purchase or sale of, securities (other than exempted
17 securities or commercial paper, bankers' acceptances, or
18 commercial bills) without filing with the Securities and Exchange
19 Commission an application for registration as a broker or dealer,
20 in accordance with Section 15(b) of the Exchange Act [15 U.S.C.
21 §78o(b)].

22 VI.

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Rietz shall
24 pay disgorgement of his ill-gotten gains in the amount of
25 \$212,077, plus pre-judgment interest thereon in the amount of
26 \$17,958.07 calculated through March 1, 1998, and \$36.30 for each
27 day thereafter, prior to entry of the judgment, compounded on an
28 annual basis. Within thirty (30) days from the date of this

1 judgment, Rietz shall pay to Robb Evans, Receiver of Western
2 Executive Group, Inc. and Cash Systems U.S.A., Inc., by certified
3 check, bank cashier's check, bank money order or postal money
4 order, the following: (1) the full amount of disgorgement
5 (\$212,077), (2) the full amount of pre-judgment interest; and (3)
6 post-judgment interest as calculated pursuant to 28 U.S.C. §1961,
7 for the period from the entry of this judgment until the payment
8 of disgorgement and interest specified above. This payment shall
9 be transmitted to Robb Evans, 725 South Figueroa, Suite 2260, Los
10 Angeles, California 90017, under cover of a letter that
11 identifies Rietz, the caption and case number of this action, and
12 the name of this Court. Copies of this check and accompanying
13 cover letter shall be simultaneously transmitted to David M.
14 Bassham of the Commission, at 5670 Wilshire Boulevard, 11th
15 Floor, Los Angeles, California 90036.

16 VII.

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Rietz shall
18 be assessed and shall pay a civil penalty under Section
19 20(d) (2) (C) of the Securities Act [15 U.S.C. § 77t(d) (2) (C)] and
20 Section 21(d) (3) (B) (iii) of the Exchange Act [15 U.S.C. §
21 78u(d) (3) (B) (iii)] in the amount of \$212,077. The Court hereby
22 orders payment by Rietz of the sum of \$212,077 as a civil
23 penalty, no later than sixty (60) days after the date this
24 Judgment is entered by certified check, bank cashier's check,
25 bank money order or postal money order payable to the "Securities
26 and Exchange Commission." Such payment shall be transmitted to
27 the Comptroller, Securities and Exchange Commission, 450 Fifth
28 Street, N.W., Washington, D.C. 20549, under cover of a letter

1 that identifies Rietz, the caption and case number of this
2 action, and the name of this Court. Copies of this check and
3 accompanying cover letter shall be simultaneously transmitted to
4 David M. Bassham of the Commission, at 5670 Wilshire Boulevard,
5 11th Floor, Los Angeles, California 90036. At such time as said
6 funds are transmitted to the Commission's Comptroller, Rietz
7 relinquishes all legal and equitable right, title and interest in
8 the funds, and no part of said funds shall be returned to Rietz
9 or his successors or assigns.

10 VIII.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Parrish
12 shall pay disgorgement of his ill-gotten gains in the amount of
13 \$188,311, plus pre-judgment interest thereon in the amount of
14 \$15,945.63 calculated through March 1, 1998, and \$32.24 for each
15 day thereafter, prior to entry of this judgment, compounded on an
16 annual basis. Within thirty (30) days from the date of this
17 judgment, Parrish shall pay to Robb Evans, Receiver of Western
18 Executive Group, Inc. and Cash Systems U.S.A., Inc., by certified
19 check, bank cashier's check, bank money order or postal money
20 order the following: (1) the full amount of disgorgement
21 (\$188,311), (2) the full amount of pre-judgment interest; and (3)
22 post-judgment interest as calculated pursuant to 28 U.S.C. §1961,
23 for the period from the entry of this judgment until the payment
24 of disgorgement and interest specified above. This payment shall
25 be transmitted to Robb Evans, 725 South Figueroa, Suite 2260, Los
26 Angeles, California 90017, with a cover letter that identifies
27 Parrish, the caption and case number of this action, and the name
28 of this Court. Copies of this check and accompanying cover

1 letter shall be simultaneously transmitted to David M. Bassham of
2 the Commission, at 5670 Wilshire Boulevard, 11th Floor, Los
3 Angeles, California 90036.

4 XI.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Parrish
6 shall be assessed and shall pay a civil penalty under Section
7 20(d)(2)(C) of the Securities Act [15 U.S.C. § 77t(d)(2)(C)] and
8 Section 21(d)(3)(B)(iii) of the Exchange Act [15 U.S.C. §
9 78u(d)(3)(B)(iii)] in the amount of \$188,311. The Court hereby
10 orders payment by Parrish of the sum of \$188,311 as a civil
11 penalty, no later than sixty (60) days after the date this
12 Judgment is entered by certified check, bank cashier's check,
13 bank money order or postal money order payable to the "Securities
14 and Exchange Commission." Such payment shall be transmitted to
15 the Comptroller, Securities and Exchange Commission, 450 Fifth
16 Street, N.W., Washington, D.C. 20549, under cover of a letter
17 that identifies Parrish, the caption and case number of this
18 action, and the name of this Court. Copies of such check and
19 accompanying cover letter shall be simultaneously transmitted to
20 David M. Bassham of the Commission, at 5670 Wilshire Boulevard,
21 11th Floor, Los Angeles, California 90036. At such time as said
22 funds are transmitted to the Commission's Comptroller, Parrish
23 relinquishes all legal and equitable right, title and interest in
24 the funds, and no part of said funds shall be returned to Parrish
25 or his successors or assigns.

26 X.

27 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Struth
28 shall pay disgorgement of his ill-gotten gains in the amount of

1 \$149,885, plus pre-judgment interest thereon in the amount of
2 \$12,691.83 calculated through March 1, 1998, and \$25.66 for each
3 day thereafter, prior to entry of the judgment, compounded on an
4 annual basis. Within thirty (30) days from the date of this
5 judgment, Struth shall pay to Robb Evans, Receiver of Western
6 Executive Group, Inc. and Cash Systems U.S.A., Inc., by certified
7 check, bank cashier's check, bank money order or postal money
8 order, the following: (1) the full amount of disgorgement
9 (\$149,885), (2) the full amount of pre-judgment interest; and (3)
10 post-judgment interest as calculated pursuant to 28 U.S.C. §1961,
11 for the period from the entry of this judgment until the payment
12 of disgorgement and interest specified above. This payment shall
13 be transmitted to Robb Evans, 725 South Figueroa, Suite 2260, Los
14 Angeles, California 90017, with a cover letter that identifies
15 Struth, the caption and case number of this action, and the name
16 of this Court. Copies of this check and accompanying cover
17 letter shall be simultaneously transmitted to David M. Bassham of
18 the Commission, at 5670 Wilshire Boulevard, 11th Floor, Los
19 Angeles, California 90036.

20 XI.

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Struth
22 shall be assessed and shall pay a civil penalty under Section
23 20(d)(2)(C) of the Securities Act [15 U.S.C. § 77t(d)(2)(C)] and
24 Section 21(d)(3)(B)(iii) of the Exchange Act [15 U.S.C. §
25 78u(d)(3)(B)(iii)] in the amount of \$149,885. The Court hereby
26 orders payment by Struth of the sum of \$149,885 as a civil
27 penalty, no later than sixty (60) days after the date this
28 Judgment is entered by certified check, bank cashier's check,

1 bank money order or postal money order payable to the "Securities
2 and Exchange Commission." Such payment shall be transmitted to
3 the Comptroller, Securities and Exchange Commission, 450 Fifth
4 Street, N.W., Washington, D.C. 20549, under cover of a letter
5 that identifies Struth, the caption and case number of this
6 action, and the name of this Court. Copies of such check and
7 accompanying cover letter shall be simultaneously transmitted to
8 David M. Bassham of the Commission, at 5670 Wilshire Boulevard,
9 11th Floor, Los Angeles, California 90036. At such time as said
10 funds are transmitted to the Commission's Comptroller, Struth
11 relinquishes all legal and equitable right, title and interest in
12 the funds, and no part of said funds shall be returned to Struth
13 or his successors or assigns.

14 XII.

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Edgel shall
16 pay disgorgement of his ill-gotten gains in the amount of
17 \$44,823, plus pre-judgment interest thereon in the amount of
18 \$3,794.48 calculated through March 1, 1998, and \$7.67 for each
19 day thereafter, prior to entry of this judgment, compounded on an
20 annual basis. Within thirty (30) days from the date of this
21 judgment, Edgel shall pay to Robb Evans, Receiver of Western
22 Executive Group, Inc. and Cash Systems U.S.A., Inc., by certified
23 check, bank cashier's check, bank money order or postal money
24 order, the following: (1) the full amount of disgorgement
25 (\$44,823), (2) the full amount of pre-judgment interest; and (3)
26 post-judgment interest as calculated pursuant to 28 U.S.C. §1961,
27 for the period from the entry of this judgment until the payment
28 of disgorgement and interest specified above. This payment shall

1 be transmitted to Robb Evans, 725 South Figueroa, Suite 2260, Los
2 Angeles, California 90017, with a cover letter that identifies
3 Edgel, the caption and case number of this action, and the name
4 of this Court. Copies of this check and accompanying cover
5 letter shall be simultaneously transmitted to David M. Bassham of
6 the Commission, at 5670 Wilshire Boulevard, 11th Floor, Los
7 Angeles, California 90036.

8 XIII.

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Edgel shall
10 be assessed and shall pay a civil penalty under Section
11 20(d) (2) (C) of the Securities Act [15 U.S.C. § 77t(d) (2) (C)] and
12 Section 21(d) (3) (B) (iii) of the Exchange Act [15 U.S.C. §
13 78u(d) (3) (B) (iii)] in the amount of \$44,823. The Court hereby
14 orders payment by Edgel of the sum of \$44,823 as a civil penalty,
15 no later than sixty (60) days after the date this Judgment is
16 entered by certified check, bank cashier's check, bank money
17 order or postal money order payable to the "Securities and
18 Exchange Commission." Such payment shall be transmitted to the
19 Comptroller, Securities and Exchange Commission, 450 Fifth
20 Street, N.W., Washington, D.C. 20549, under cover of a letter
21 that identifies Edgel, the caption and case number of this
22 action, and the name of this Court. Copies of such check and
23 accompanying cover letter shall be simultaneously transmitted to
24 David M. Bassham of the Commission, at 5670 Wilshire Boulevard,
25 11th Floor, Los Angeles, California 90036. At such time as said
26 funds are transmitted to the Commission's Comptroller, Edgel
27 relinquishes all legal and equitable right, title and interest in
28 / / /

1 the funds, and no part of said funds shall be returned to Edgel
2 or his successors or assigns.

3 XIV.

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

10 There being no just reason for delay, the Clerk of the Court
11 is hereby directed, pursuant to Rule 54(b) and Rule 55(b)(2) of
12 the Federal Rules of Civil Procedure, to enter this Judgment
13 forthwith.

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15 DATED: 3-9-98

GEORGE H. KING

THE HONORABLE GEORGE H. KING
UNITED STATES DISTRICT JUDGE

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