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CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA
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CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES

10 UNITED STATES DISTRICT COURT
11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

ENTERED
WESTERN DIVISION
SEP 29 2000
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA OFFICE

Case No. SACV00948
GLT (EE)

12 SECURITIES AND EXCHANGE
13 COMMISSION,

14 Plaintiff,

15 v.

16 MAURICE B. NEWMAN and RICHARD I
17 GERHART,

18 Defendants.

JUDGMENT OF PERMANENT
19 INJUNCTION AND OTHER RELIEF
20 AGAINST DEFENDANT MAURICE B
21 NEWMAN

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

I HEREBY CERTIFY THAT THIS DOCUMENT WAS SERVED BY
FIRST CLASS MAIL, POSTAGE PREPAID, TO ALL COUNSEL
FOR PARTIES AT THEIR RESPECTIVE, MOST RECENT, ADDRESS OF
RECORD, IN THIS ACTION, ON THIS DATE.

DATED: 9-29-00
DEPUTY CLERK

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SEP 29 2000

1 of Permanent Injunction and Other Relief (“Consent”); and it appearing that no notice of
2 hearing upon the entry of this Judgment being necessary; and the Court being fully advised in
3 the premises, and there being no just reason for delay.

4 I.

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

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

18 in violation of Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15
19 U S C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240 10b-5]

20 II

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Newman and his
22 agents, servants, employees and attorneys, and all persons in active concert or participation
23 with any of them, who receive actual notice of this Judgment, by personal service or
24 otherwise, and each of them, are permanently restrained and enjoined from, directly or
25 indirectly

26 causing the filing of a required periodic report with the Commission containing
27 any untrue statement of material fact or omitting to state a material fact required
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1 to be stated or necessary in order to make the statements made, in light of the
2 circumstances under which they were made, not misleading,
3 in violation of Section 13(a) of the Exchange Act [15 U S C. § 78m(a)] and Rules 12b-20 and
4 13a-13 thereunder [17 C.F R. §§ 240.12b-20 and 240.13a-13]

5 III

6 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Newman and his
7 agents, servants, employees and attorneys, and all persons in active concert or participation
8 with any of them, who receive actual notice of this Judgment, by personal service or
9 otherwise, and each of them, are permanently restrained and enjoined from, directly or
10 indirectly

11 A causing the failure to make and keep accurate books, records, and accounts
12 which, in reasonable detail, accurately and fairly reflect financial transactions
13 and disposition of assets;

14 B directly, or indirectly, falsifying, or causing to be falsified books, records or
15 accounts subject to Section 13(b)(2)(A) of the Exchange Act;

16 C directly or indirectly, making or causing to be made, or causing another person
17 to omit to state, a materially false or misleading statement, or omitting to state a
18 material fact in order to make statements made, in light of the circumstances
19 under which such statements were made, not misleading to an accountant in
20 connection with (1) an audit or examination of financial statements required to
21 be made pursuant to the Exchange Act regulations, or (2) the preparation or
22 filing of reports or documents required to be filed with the Commission
23 pursuant to Exchange Act regulations or otherwise;

24 in violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] and
25 Rules 13b2-1 and 13b2-2 thereunder [17 C F.R. §§ 240.13b2-1 and 240.13b2-2].

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1 IV.

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

7 knowingly circumventing or knowingly failing to implement a system of
8 internal accounting controls or knowingly falsifying any book, record, or
9 account,

10 in violation of Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)].

11 V.

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Newman shall,
13 during the pendency of this action against any defendant, remain subject to the discovery
14 provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition,
15 agrees and undertakes that he will appear without the service of a subpoena to testify as a
16 witness at the trial of this action or at any related proceeding

17 VI

18 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Newman is
19 assessed, and shall pay to the Commission for delivery to the United States Treasury, a civil
20 penalty in the amount of \$30,000 under the Securities Enforcement and Penny Stock Reform
21 Act of 1990 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section
22 21(d)(3) of the Exchange Act [15 U.S.C. § 78(d)(3)]. Newman shall pay the above penalty
23 within 30 days of entry of this Judgment. This payment shall be made by cashier's check,
24 certified check or postal money order, payable to the United States Treasury, and shall be
25 transmitted to the Comptroller, Securities and Exchange Commission, Operations Center,
26 6432 General Green Way, Stop 0-3, Alexandria, VA 22312, under cover of a letter which
27 identifies the defendant, the name and case number of this litigation and the name of the
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1 Court A copy of the cover letter shall be simultaneously transmitted to Diana K. Tani,
2 counsel for the Commission at its Los Angeles office.

3 VII.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of
5 the Consent filed concurrently with this Judgment are incorporated herein with the same force
6 and effect as if fully set forth herein and that Newman shall comply with the Consent

7 VIII

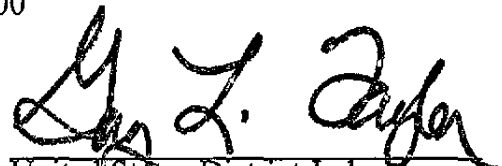
8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall
9 retain jurisdiction over this action for all purposes including to determine the liability of any
10 remaining defendants in this action, to implement, enforce, and carry out the terms of the
11 Judgment and all other orders and decrees which have been and may be entered herein, and to
12 grant such other relief as the Court may deem necessary and just.

13 * * * *

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

16 IT IS SO ORDERED

17 DATED this 29th day of Sept., 2000

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20 United States District Judge
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