

ORIGINAL

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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

CV-S-00-1160-PMP-RJJ

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 v.

15 COUNTRYLAND WELLNESS RESORTS,
16 INC., FRED CRUZ (a.k.a. FEDERICO CRUZ
17 GONZALEZ), LUIS R. HIDALGO, JR., and
18 DONALD E. STUDER,

19 Defendants.

JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF
AGAINST DEFENDANT LUIS R.
HIDALGO, JR.

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

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

4 I.

5 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Hidalgo 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 the offer or sale and in connection with the purchase or sale of any security, by
10 the use of any means or instrumentality of interstate commerce or of the mails, or of any
11 facility of any national 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 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §
19 77q] and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C.
20 § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

21 II.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based upon a
23 Statement of Financial Condition sworn to on _____, 2000 (the
24 “Financial Statement”) which Hidalgo submitted to the Commission representing his
25 financial condition and demonstrating that he is financially unable to pay a civil penalty, the
26 Court is not ordering Hidalgo to pay a civil penalty. The Court does, however, note the
27 appropriateness of civil penalties in this instance. The determination that Hidalgo is unable to
28 pay a civil penalty is conditioned on the accuracy and completeness of the Financial Statement

1 submitted to the Commission. If, at any time following the entry of this Final Judgment, the
2 Commission obtains information that, in statements made by Hidalgo to the Commission,
3 Hidalgo materially understated his assets or income or materially overstated his liabilities or
4 expenses, or that Hidalgo willfully omitted assets or income in any amount, the Commission
5 may petition the Court for a hearing to determine whether further sanctions are appropriate in
6 light of any understatement, overstatements, or willful omissions. In connection with such
7 petition, the Commission may request the Court to order Hidalgo to pay civil penalties in
8 connection with the violations alleged in the Complaint. In its petition, the Commission also
9 may seek any additional remedies, or request further discovery. Hidalgo may not by way of
10 defense to that petition, contest the allegations in the Complaint or assert that no civil penalty
11 is appropriate for the violations alleged in the Complaint.

12 III.

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

21 IV.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Hidalgo shall,
23 during the pendency of this action against any defendant, remain subject to the discovery
24 provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition,
25 agrees and undertakes that he will appear without the service of a subpoena to testify as a
26 witness at the trial of this action or at any related proceeding.

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V.

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

VI.

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

There being no just reason 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 Judgment forthwith.

IT IS SO ORDERED.

DATED this 25th day of Sept 2000



United States District Judge