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CLERK, U.S. DISTRICT COURT.  
OCT - 7 2003  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

1 GREGORY C. GLYNN, Cal. Bar No. 039999  
2 DAVID S. BROWN, Cal. Bar No. 134569

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4 Securities and Exchange Commission  
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U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.  
LOS ANGELES

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11 UNITED STATES DISTRICT COURT  
12 CENTRAL DISTRICT OF CALIFORNIA  
13 WESTERN DIVISION

ENTERED  
CLERK, U.S. DISTRICT COURT  
OCT - 8 2003  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

14 SECURITIES AND EXCHANGE  
15 COMMISSION,

16 Plaintiff,

17 vs.

18 SHORELINE DEVELOPMENT  
19 COMPANY, TODD J. TAYLOR, DEREK  
20 K. GRADWELL, PAUL A. BARRIOS III,  
21 DENNIS P. O'CONNELL, JR., EPIC  
22 CONSULTING SERVICES, INC.,  
23 COASTAL RESOURCES, INC.,  
24 NORTHSTAR ACQUISITIONS AND  
25 HOLDINGS, INC., SHORELINE  
26 HOLDINGS AND ACQUISITIONS, INC.,  
27 and SPARTAN CONSULTING, INC.,

28 Defendants.

Case No. CV 02-6695 RSWL (Ex)

~~Proposed~~ FINAL JUDGMENT OF  
PERMANENT INJUNCTION AND  
OTHER RELIEF AGAINST  
DEFENDANTS TODD J. TAYLOR,  
DEREK K. GRADWELL, PAUL A.  
BARRIOS III, DENNIS P.  
O'CONNELL, EPIC CONSULTING  
SERVICES, INC., COASTAL  
RESOURCES, INC., NORTHSTAR  
ACQUISITIONS AND HOLDINGS,  
INC. AND SHORELINE HOLDINGS  
AND ACQUISITIONS

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

23 The Motion of plaintiff, Securities and Exchange Commission  
24 ("Commission"), pursuant to Rule 56, Fed. R. Civ. P., for Summary Judgment  
25 against defendants Todd J. Taylor ("Taylor"), Derek K. Gradwell ("Gradwell"),  
26 Paul A. Barrios III ("Barrios"), Dennis P. O'Connell, Jr. ("O'Connell"), Epic  
27 Consulting Services, Inc. ("Epic"), Coastal Resources, Inc. ("Coastal"), Northstar  
28 Acquisitions and Holdings, Inc. ("Northstar"), and Shoreline

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1 Holdings and Acquisitions, Inc. (“Shoreline H&A”) (collectively the “defendants”),  
2 came before the Court for hearing on October 6, 2003. The Court, having  
3 considered the Commission’s motion, the Memorandum of Points and Authorities,  
4 the Declarations including Exhibits relating thereto, the Statement of  
5 Uncontroverted Facts and Conclusions of Law, and other documents filed in  
6 support of the motion, and all other evidence and argument presented regarding the  
7 motion, finds that:

8 **I.**

9 IT IS HEREBY ORDERED that the Commission’s Motion for Summary  
10 Judgment against Taylor, Gradwell, Barrios, O’Connell, Epic, Coastal, Northstar,  
11 and Shoreline H&A is GRANTED.

12 **II.**

13 IT IS HEREBY ORDERED that Taylor, Gradwell, Barrios, O’Connell and  
14 their agents, servants, employees, attorneys, and all persons in active concert or  
15 participation with them who receive actual notice of this Final Judgment by personal  
16 service or otherwise are permanently restrained and enjoined from violating Section  
17 5 of the Securities Act of 1933 (the “Securities Act”), 15 U.S.C. § 77e, by, directly  
18 or indirectly, in the absence of any applicable exemption:

- 19 (a) Unless a registration statement is in effect as to a security, making use  
20 of any means or instruments of transportation or communication in  
21 interstate commerce or of the mails to sell such security through the  
22 use or medium of any prospectus or otherwise;
- 23 (b) Unless a registration statement is in effect as to a security, carrying or  
24 causing to be carried through the mails or in interstate commerce, by  
25 any means or instruments of transportation, any such security for the  
26 purpose of sale or for delivery after sale; or
- 27 (c) Making use of any means or instruments of transportation or  
28 communication in interstate commerce or of the mails to offer to sell

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1 or offer to buy through the use or medium of any prospectus or  
2 otherwise any security, unless a registration statement has been filed  
3 with the Commission as to such security, or while the registration  
4 statement is the subject of a refusal order or stop order or (prior to the  
5 effective date of the registration statement) any public proceeding of  
6 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

7 **III.**

8 IT IS FURTHER ORDERED that Taylor and Gradwell and their agents,  
9 servants, employees, attorneys, all persons in active concert or participation with  
10 them who receive actual notice of this Final Judgment by personal service or  
11 otherwise are permanently restrained and enjoined from violating Section 17(a) of  
12 the Securities Act, 15 U.S.C. § 77q(a), in the offer or sale of any security by the  
13 use of any means or instruments of transportation or communication in interstate  
14 commerce or by use of the mails, directly or indirectly:

- 15 (a) to employ any device, scheme, or artifice to defraud;
- 16 (b) to obtain money or property by means of any untrue statement of a  
17 material fact or any omission of a material fact necessary in order to  
18 make the statements made, in light of the circumstances under which  
19 they were made, not misleading; or
- 20 (c) to engage in any transaction, practice, or course of business which  
21 operates or would operate as a fraud or deceit upon the purchaser.

22 **IV.**

23 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Taylor  
24 and Gradwell and their agents, servants, employees, attorneys, and all persons in  
25 active concert or participation with them who receive actual notice of this Final  
26 Judgment by personal service or otherwise are permanently restrained and enjoined  
27 from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act  
28 of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated

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1 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of  
2 interstate commerce, or of the mails, or of any facility of any national securities  
3 exchange, in connection with the purchase or sale of any security:

- 4 (a) to employ any device, scheme, or artifice to defraud;
- 5 (b) to make any untrue statement of a material fact or to omit to state a  
6 material fact necessary in order to make the statements made, in the  
7 light of the circumstances under which they were made, not  
8 misleading; or
- 9 (c) to engage in any act, practice, or course of business which operates or  
10 would operate as a fraud or deceit upon any person.

11 V.

12 IT IS FURTHER ORDERED that Barrios and O'Connell and their officers,  
13 agents, servants, employees, attorneys, and those persons in active concert or  
14 participation with any of them, who receive actual notice of this Final Judgment, by  
15 personal service or otherwise, and each of them, be and hereby are permanently  
16 restrained and enjoined from, directly or indirectly, making use of the mails or any  
17 means or instrumentality of interstate commerce to effect any transactions in, or to  
18 induce or attempt to induce the purchase or sale of, any security (other than an  
19 exempted security or commercial paper, bankers' acceptances, or commercial  
20 bills), without being registered as a broker and/or dealer pursuant to Section 15(b),  
21 15 U.S.C. § 78o(b), of the Exchange Act in violation of Section 15(a)(1) of the  
22 Exchange Act Exchange Act, 15 U.S.C. § 78o(a)(1).

23 VI.

24 IT IS ORDERED, ADJUDGED AND DECREED that Taylor and Coastal,  
25 shall, jointly and severally, within 30 days of this Final Judgment, disgorge to the  
26 Commission the sum of \$479,276.39 in cash, that was received by Taylor and  
27 Coastal as a consequence of the conduct alleged in the Complaint, plus  
28 prejudgment interest thereon of \$9,497.60 through September 30, 2003, and at the

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1 daily rate of \$24.20 thereafter, calculated pursuant to 28 U.S.C. § 1961. Taylor and  
 2 Coastal shall pay, by cashier's check, certified check, or postal money order, the  
 3 total sum of \$488,773.99 in disgorgement within thirty (30) days of entry of the  
 4 Final Judgment. This disgorgement payment shall be made payable to Court-  
 5 appointed Receiver for defendant Shoreline Development Company, Douglas P.  
 6 Wilson of the Douglas Wilson Companies (the "Receiver"), and shall be  
 7 transmitted to Douglas Wilson Companies, 3633 Camino Del Rio South, Suite 300,  
 8 San Diego, California 92108, under cover of a letter that identifies the defendant,  
 9 the name and case number of this litigation, and the court. Copies of this cover  
 10 letter and the means of payment shall be simultaneously transmitted to counsel for  
 11 the Commission in this action at its Pacific Regional Office.

12 **VII.**

13 IT IS ORDERED, ADJUDGED AND DECREED that Gradwell and Epic,  
 14 shall, jointly and severally, within 30 days of this Final Judgment, disgorge to the  
 15 Commission the sum of \$657,593.23 in cash, that was received by Gradwell and  
 16 Epic as a consequence of the conduct alleged in the Complaint, plus prejudgment  
 17 interest of \$13,031.23 through September 30, 2003 and at the daily rate of \$33.20  
 18 thereafter, calculated pursuant to 28 U.S.C. § 1961. Gradwell and Epic shall pay,  
 19 by cashier's check, certified check, or postal money order, the total sum of  
 20 \$670,624.46 in disgorgement within thirty (30) days of entry of the Final Judgment.  
 21 This disgorgement payment shall be made payable to the Receiver, and shall be  
 22 transmitted to Douglas Wilson Companies, 3633 Camino Del Rio South, Suite 300,  
 23 San Diego, California 92108, under cover of a letter that identifies the defendant,  
 24 the name and case number of this litigation, and the court. Copies of this cover  
 25 letter and the means of payment shall be simultaneously transmitted to counsel for  
 26 the Commission in this action at its Pacific Regional Office.

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VIII.

IT IS ORDERED, ADJUDGED AND DECREED that Barrios, within 30 days of this Final Judgment, disgorge to the Commission the sum of \$12,088.75 in cash, that was received by Barrios as a consequence of the conduct alleged in the Complaint, plus prejudgment interest of \$1,239.56 through September 30, 2003, and at the daily rate of \$0.61 thereafter, calculated pursuant to 28 U.S.C. § 1961. Barrios shall pay, by cashier's check, certified check, or postal money order, the total sum of \$13,328.31 in disgorgement within thirty (30) days of entry of the Final Judgment. This disgorgement payment shall be made payable to the Receiver, and shall be transmitted to Douglas Wilson Companies, 3633 Camino Del Rio South, Suite 300, San Diego, California 92108, under cover of a letter that identifies the defendant, the name and case number of this litigation, and the court. Copies of this cover letter and the means of payment shall be simultaneously transmitted to counsel for the Commission in this action at its Pacific Regional Office.

IX.

IT IS ORDERED, ADJUDGED AND DECREED that O'Connell and Northstar, shall, jointly and severally, within 30 days of this Final Judgment, disgorge to the Commission the sum of \$226,466.21 in cash, that was received by O'Connell and Northstar as a consequence of the conduct alleged in the Complaint, plus prejudgment interest of \$6,942.84 through September 30, 2003, and at the daily rate of \$11.43 thereafter, calculated pursuant to 28 U.S.C. § 1961. O'Connell and Northstar shall pay, by cashier's check, certified check, or postal money order, the total sum of \$233,409.05 in disgorgement within thirty (30) days of entry of the Final Judgment. This disgorgement payment shall be made payable to the Receiver, and shall be transmitted to Douglas Wilson Companies, 3633 Camino Del Rio South, Suite 300, San Diego, California 92108, under cover of a letter that identifies the defendant, the name and case number of this litigation, and the court. Copies of this cover letter and the means of payment shall be

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1 simultaneously transmitted to counsel for the Commission in this action at its  
2 Pacific Regional Office.

3 X.

4 IT IS ORDERED, ADJUDGED AND DECREED that Shoreline H&A,  
5 within 30 days of this Final Judgment, disgorge to the Commission the sum of  
6 \$41,600 in cash, that was received by Shoreline H&A as a consequence of the  
7 conduct alleged in the Complaint, plus prejudgment interest of \$824.37 through  
8 September 30, 2003, and at the daily rate of \$2.10 thereafter, calculated pursuant to  
9 28 U.S.C. § 1961. Shoreline H&A shall pay, by cashier's check, certified check,  
10 or postal money order, the total sum of \$42,424.37 in disgorgement within thirty  
11 (30) days of entry of the Final Judgment. This disgorgement payment shall be  
12 made payable to the Receiver, and shall be transmitted to Douglas Wilson  
13 Companies, 3633 Camino Del Rio South, Suite 300, San Diego, California 92108,  
14 under cover of a letter that identifies the defendant, the name and case number of  
15 this litigation, and the court. Copies of this cover letter and the means of payment  
16 shall be simultaneously transmitted to counsel for the Commission in this action at  
17 its Pacific Regional Office.

18 XI.

19 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Taylor  
20 and Gradwell shall each pay a third tier civil penalty in the amount of \$120,000  
21 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the  
22 Exchange Act. Pursuant to Section 308 of the Sarbanes-Oxley Act of 2002 and  
23 upon application of the Commission and approval of the Court, Taylor and  
24 Gradwell shall each make this payment within ten (10) business days after entry of  
25 this Final Judgment by certified check, bank cashier's check, or United States  
26 postal money order payable to the Receiver, and shall be transmitted to Douglas  
27 Wilson Companies, 3633 Camino Del Rio South, Suite 300, San Diego, California  
28 92108, under cover of a letter that identifies the defendant, the name and case

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1 number of this litigation, and the court. Copies of this cover letter and the means  
2 of payment shall be simultaneously transmitted to counsel for the Commission in  
3 this action at its Pacific Regional Office.

4 **XII.**

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Barrios  
6 and O'Connell shall each pay a first tier civil penalty in the amount of \$50,000  
7 pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the  
8 Exchange Act. Pursuant to Section 308 of the Sarbanes-Oxley Act of 2002 and  
9 upon application of the Commission and approval of the Court, Barrios and  
10 O'Connell shall each make this payment within ten (10) business days after entry of  
11 this Final Judgment by certified check, bank cashier's check, or United States  
12 postal money order payable to the Receiver, and shall be transmitted to Douglas  
13 Wilson Companies, 3633 Camino Del Rio South, Suite 300, San Diego, California  
14 92108, under cover of a letter that identifies the defendant, the name and case  
15 number of this litigation, and the court. Copies of this cover letter and the means  
16 of payment shall be simultaneously transmitted to counsel for the Commission in  
17 this action at its Pacific Regional Office.

18 **XIII.**

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Taylor,  
20 Gradwell, Barrios, O'Connell, Epic, Coastal, Northstar, and Shoreline H&A shall  
21 provide all documents in its possession, custody or control to the Commission and  
22 disclose under oath all information with respect to its activities and the activities of  
23 others about which the Commission or its staff may inquire or request. Such  
24 production of documents and disclosure of information by these defendants shall  
25 be made upon reasonable notice in writing and without service of a subpoena and  
26 subject only to the good faith assertion of any privileges recognizable pursuant to  
27 the provisions of Rule 501 of the Federal Rules of Evidence or the United States  
28 Constitution and amendments thereto. Failure to comply with the foregoing will



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1 subject these defendants to the sanctions set forth in Rule 37 of the Federal Rules  
2 of Civil Procedure and all other available remedies.

3 **XIV.**

4 IT IS HEREBY ORDERED that Barrios and his agents, servants,  
5 employees, attorneys, and all persons in active concert or participation with them  
6 who receive actual notice of this Final Judgment by personal service or otherwise  
7 are permanently restrained and enjoined from violating the Cease-and-Desist Order  
8 issued by the Commission on March 15, 2000, entitled *In the Matter of Paul A.*  
9 *Barrios*, Admin. Proc. File No. 3-10157, Exchange Act Rel. No. 42531, and  
10 Barrios shall comply with that Cease-and-Desist Order in all respects.

11 **XV.**

12 IT IS HEREBY FURTHER ORDERED that all Orders freezing assets of the  
13 Defendants herein, or any of them, issued by this Court at the time of the  
14 Temporary Restraining Order and continued in effect by the Preliminary Injunction  
15 issued on September 6, 2002 shall remain in full force and effect pending further  
16 Order of this Court.

17 **XVI.**

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

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XVIII.

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 Final Judgment.

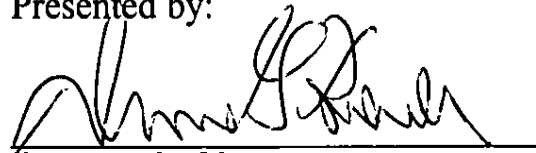
IT IS SO ORDERED.

DATED: 10-6-03

RONALD S.W. LEW

HONORABLE RONALD S.W. LEW  
UNITED STATES DISTRICT JUDGE

Presented by:



Gregory C. Glynn  
David S. Brown  
Attorneys for Plaintiff  
Securities and Exchange Commission

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**CORRECTED PROOF OF SERVICE**

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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 90036-3648.

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

On September 15, 2003, I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANTS TODD J. TAYLOR, DEREK K. GRADWELL, PAUL A. BARRIOS III, DENNIS P. O'CONNELL, EPIC CONSULTING SERVICES, INC., COASTAL RESOURCES, INC., NORTHSTAR ACQUISITIONS AND HOLDINGS, INC. AND SHORELINE HOLDINGS AND ACQUISITIONS** 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 in the attached service list.

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 under the laws of the United States of America that the foregoing is true and correct

Date: September 15, 2003

Magnolia M. Marcelo  
MAGNOLIA M. MARCELO

SCANNED

**SEC v. SHORELINE DEVELOPMENT COMPANY, et al.**  
**United States District Court - Central District of California**  
**Case No. 02-6695 (RSWL)(Ex)(LA-2608)**  
**Master Service List**

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14 *and Shoreline Holdings and Acquisitions, Inc.*

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24 *for Defendant Shoreline Development Company*

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*Attorneys for Defendant s Dennis O'Connell, Jr. and*  
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**SEC v. SHORELINE DEVELOPMENT COMPANY, et al.**  
**United States District Court - Central District of California**  
**Case No. 02-6695 (RSWL)(Ex)(LA-2608)**

**Master Service List**

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15 *Representative of Court-Appointed Receiver for Defendant*  
16 *Shoreline Development Company*

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