



UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

FRANK J. CUSTABLE, JR., et al.,

Defendants.

Civil Action No: 03 C 2182

Judge Gottschall
Magistrate Judge Valdez

FINAL JUDGMENT AS TO DEFENDANT SARA WETZEL

This cause coming to be heard on the Plaintiff Securities and Exchange Commission's ("SEC" or "Commission") Application for Entry of Final Judgments, by Default, Against Various Defendants. The Court, having considered Plaintiff's application and the memorandum, declaration and exhibits submitted in support thereof, and being fully advised in the premises, finds:

1. That this Court has jurisdiction over the subject matter of this case and all the parties hereto, including Defendant Sarah Wetzel ("Defendant");
2. That Plaintiff properly served Defendant with a copy of the Summons and Complaint in this action, in accordance with Fed. R. Civ. P. 4;
3. That Defendant filed an Answer to the complaint;
4. That Defendant failed to participate in these proceedings since June 11, 2009, on which date the Court had lifted a stay on discovery that had been in place in this case due to a related criminal proceeding;

5. That the Court properly entered a default against Defendant on December 10, 2009, pursuant to Fed. R. Civ. P. 55(a);

6. That entry of a Final Judgment as to Defendant is appropriate under Fed. R. Civ. P. 55(b)(2);

7. That the injunctive and monetary relief Plaintiff seeks against Defendant is adequately supported in fact and law by the evidence and methodology set forth in the application, Plaintiff's memorandum in support of the application, the declaration of SEC Staff Accountant Pesach Glaser, and the schedules and exhibits attached thereto; and

8. That therefore, Plaintiff's application should be, and is, hereby GRANTED, and the following Order issued:

I.

[JUDGMENT BY DEFAULT]

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that, pursuant to Fed. R. Civ. P. 55(b), judgment by default is hereby entered against Defendant.

IT IS FUTHER ORDERED ADJUDGED AND DECREED the Court finds in favor of the Plaintiff and against Defendant on all factual allegations and causes of action asserted by Plaintiff against Defendant in Plaintiff's second amended complaint filed in this action.

II.

**[PERMANENT INJUNCTION – SECTION 10(b) of the
SECURITIES EXCHANGE ACT and RULE 10b-5 THEREUNDER]**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or

otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

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

III.

[PERMANENT INJUNCTION – SECTION 17(a) of SECURITIES ACT]

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (1) to employ any device, scheme, or artifice to defraud;
- (2) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements

made, in light of the circumstances under which they were made, not misleading;

or

- (3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IV.

[PERMANENT INJUNCTION – SECTION 5(a) and (c) of SECURITIES ACT]

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the

registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

V.

[REPATRIATION OF ASSETS]

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall, within ten (10) days of entry of this Final Judgment:

- A. Submit a sworn statement to the SEC and the Court identifying all funds or other assets of any kind located outside of the territories of the United States that Defendant owns, directly or indirectly, or in which Defendant has a beneficial interest (including any contingent interests) or over which Defendant has signatory authority, and describing the location of all such funds or other assets; and
- B. Take such steps as are necessary to repatriate, within ten (10) days of entry of this Order, to the territory of the United States of America all such assets and funds, which are held by Defendant or which are under Defendant's direct or indirect control. Defendant shall provide a written description of all such funds and assets so repatriated to this Court and to the SEC's counsel and identify the exact location of all repatriated assets.
- C. To the extent that Defendant is unable to repatriate any of their extraterritorial assets to the territories of the United States within ten (10) days of entry of this Order, Defendant shall submit to the SEC and Court a sworn statement setting forth all steps that it took to repatriate such funds and other assets.

VI.

[PENNY STOCK OFFERING BAR]

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

VII.

[DISGORGEMENT, PREJUDGMENT INTEREST]

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$111,515.43, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$53,921.09, and a civil penalty in the amount of \$120,000 pursuant to 15 U.S.C. §§ 77t(d) and 78u(d)(3)(A). Defendant shall satisfy this obligation by paying \$285,436.52 within 14 days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Sara Wetzel as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall pay post-judgment interest on

any delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

VIII.

[RETENTION OF JURISDICTION]

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

IX.

[ENTRY OF FINAL JUDGMENT]

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: 2/3, 2010



UNITED STATES DISTRICT JUDGE