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4 Securities and Exchange Commission

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8  
9 **UNITED STATES DISTRICT COURT**

10 **DISTRICT OF NEVADA**

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

Plaintiff,

13 vs.

14 GOLD-QUEST INTERNATIONAL,  
15 DAVID GREENE a/k/a LORD DAVID  
16 GREENE a/k/a DAVID GREEN, JOHN  
JENKINS and MICHAEL MCGEE,

17 Defendants.

Case No. 08-CV-00566-KJD-LRL

**FINAL JUDGMENT AS TO  
DEFENDANT MICHAEL MCGEE**

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1 Plaintiff Securities and Exchange Commission having filed a Complaint and  
2 Defendant Michael McGee (“Defendant”) having entered a general appearance;  
3 consented to the Court’s jurisdiction over Defendant and the subject matter of this  
4 action; consented to entry of this Final Judgment without admitting or denying the  
5 allegations of the Complaint (except as to jurisdiction); waived findings of fact and  
6 conclusions of law; and waived any right to appeal from this Final Judgment:

7 **I.**

8 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant  
9 and Defendant’s agents, servants, employees, attorneys, and all persons in active  
10 concert or participation with them who receive actual notice of this Final Judgment  
11 by personal service or otherwise are permanently restrained and enjoined from  
12 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of  
13 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated  
14 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of  
15 interstate commerce, or of the mails, or of any facility of any national securities  
16 exchange, in connection with the purchase or sale of any security:

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

24 **II.**

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
26 that Defendant and Defendant’s agents, servants, employees, attorneys, and all

1 persons in active concert or participation with them who receive actual notice of  
2 this Final Judgment by personal service or otherwise are permanently restrained  
3 and enjoined from violating Section 17(a) of the Securities Act of 1933 (the  
4 “Securities Act”), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use  
5 of any means or instruments of transportation or communication in interstate  
6 commerce or by use of the mails, directly or indirectly:

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

14 **III.**

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

- 21 (a) unless a registration statement is in effect as to a security, making use  
22 of any means or instruments of transportation or communication in  
23 interstate commerce or of the mails to sell such security through the  
24 use or medium of any prospectus or otherwise;
- 25 (b) unless a registration statement is in effect as to a security, carrying or  
26 causing to be carried through the mails or in interstate commerce, by

1 any means or instruments of transportation, any such security for the  
2 purpose of sale or for delivery after sale; or

- 3 (c) making use of any means or instruments of transportation or  
4 communication in interstate commerce or of the mails to offer to sell  
5 or offer to buy through the use or medium of any prospectus or  
6 otherwise any security, unless a registration statement has been filed  
7 with the Commission as to such security, or while the registration  
8 statement is the subject of a refusal order or stop order or (prior to the  
9 effective date of the registration statement) any public proceeding or  
10 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

11 **IV.**

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
13 that Defendant is liable for disgorgement of \$8,357,107, representing profits  
14 gained as a result of the conduct alleged in the Complaint, together with pre-  
15 judgment interest thereon in the amount of \$228,855, for a total of \$8,585,962.  
16 Based on Defendant's sworn representations in his Statement of Financial  
17 Condition dated April 1, 2009, and other documents and information submitted to  
18 the Commission, however, the Court is not ordering Defendant to pay a civil  
19 penalty and the disgorgement and pre-judgment interest thereon is waived. The  
20 determination not to impose a civil penalty and to waive payment of the  
21 disgorgement and pre-judgment interest is contingent upon the accuracy and  
22 completeness of Defendant's Statement of Financial Condition. If at any time  
23 following the entry of this Final Judgment the Commission obtains information  
24 indicating that Defendant's representations to the Commission concerning his  
25 assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or  
26 incomplete in any material respect as of the time such representations were made,

1 the Commission may, at its sole discretion and without prior notice to Defendant,  
2 petition the Court for an order requiring Defendant to pay the unpaid portion of the  
3 disgorgement, pre-judgment and post-judgment interest thereon, and the maximum  
4 civil penalty allowable under the law. In connection with any such petition, the  
5 only issue shall be whether the financial information provided by Defendant was  
6 fraudulent, misleading, inaccurate, or incomplete in any material respect as of the  
7 time such representations were made. In its petition, the Commission may move  
8 this Court to consider all available remedies, including, but not limited to, ordering  
9 Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions  
10 for contempt of this Final Judgment. The Commission may also request additional  
11 discovery. Defendant may not, by way of defense to such petition: (1) challenge  
12 the validity of the Consent or this Final Judgment; (2) contest the allegations in the  
13 Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-  
14 judgment and post-judgment interest or a civil penalty should not be ordered; (4)  
15 contest the amount of disgorgement and pre-judgment and post-judgment interest;  
16 (5) contest the imposition of the maximum civil penalty allowable under the law;  
17 or (6) assert any defense to liability or remedy, including, but not limited to, any  
18 statute of limitations defense.

19 **V.**

20 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
21 that the Consent of Defendant Michael McGee is incorporated herein with the  
22 same force and effect as if fully set forth herein, and that Defendant shall comply  
23 with all of the undertakings and agreements set forth therein.

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1 **VI.**

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

5 **VII.**

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

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10 Dated: December 8, 2009



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HONORABLE KENT J. DAWSON  
UNITED STATES DISTRICT JUDGE

**PROOF OF SERVICE**

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 No. (323) 965-3998; Facsimile No. (323) 965-3908.

On December 4, 2009, I caused to be served the following document entitled **FINAL JUDGMENT AS TO DEFENDANT MICHAEL MCGEE** on all 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.

**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.

**ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

**FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

**(Federal)** I declare under penalty of perjury that I am a member of the Bar of the State of California and an attorney permitted to appear before this court and that the foregoing is true and correct.

Date: December 4, 2009

/s/ David J. Van Havermaat  
David J. Van Havermaat

1                                    **SEC v. GOLD QUEST INTERNATIONAL, et al.**  
2                                    **United States District Court – District of Nevada**  
3                                    **Case No. 2:08-CV-00566-LDG-LRL**  
4                                    **LA-3444**

5                                    **SERVICE LIST**

6                                    Michael Howard Reed, Esq. **(served by electronic and U.S. mail)**  
7                                    P.O. Box 4  
8                                    Rolette, ND 58366  
9                                    Facsimile: (701) 246-3584  
10                                    Email: [REDACTED]

11                                    ***Agent authorized to accept service on behalf of Defendants David***  
12                                    ***Greene (a/k/a/ Lord David Greene or David Green), John Jenkins,***  
13                                    ***Michael McGee and Gold-Quest International***

14                                    Larry E. Cook **(served by electronic and U.S. mail)**  
15                                    Cook Receiver Services Inc.  
16                                    14904 W. 87<sup>th</sup> Street Parkway, Suite 333  
17                                    Lenexa, KS 66215  
18                                    Telephone: (913) 894-6755  
19                                    Facsimile: (913) 894-5981  
20                                    Email: larycook@swbell.net  
21                                    ***Court-Appointed Temporary Receiver***

22                                    Jeffrey A. Silvestri, Esq.\* **(served by electronic and U.S. mail)**  
23                                    McDonald Carano Wilson LLP  
24                                    2300 W. Sahara Avenue, Suite 1000  
25                                    Las Vegas, NV 89102  
26                                    Telephone: (702) 873-4100  
Facsimile: (702) 873-9966  
Email: jsilvestri@mcdonaldcarano.com  
***Attorney for Court-Appointed Temporary Receiver Larry E. Cook***

John Jenkins **(served by electronic and U.S. mail)**  
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***Attorney for John Jenkins***



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8           ***Attorney for Defendant David Greene***

9           David Greene (**served by electronic and U.S. mail**)  
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11          Little Shell County  
12          Rolette, ND 58366  
13          Email: [REDACTED]

14          Michael McGee (**served by electronic and U.S. mail**)  
15          [REDACTED]  
16          Redmond, OR 97756  
17          Email: [REDACTED]

18 \*Also served electronically through the CM/ECF system.  
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