

CLOSED

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

INTERNATIONAL REALTY
HOLDINGS, INC.; OTTONIEL
MEDRANO; and LETICIA ISABEL
MEDRANO;

Defendants.

Case No. CV 09-01945 DDP (JWJx)

**REVISED FINAL JUDGMENT OF
PERMANENT INJUNCTION,
DISGORGEMENT,
PREJUDGMENT INTEREST, AND
CIVIL PENALTY AS TO
DEFENDANTS INTERNATIONAL
REALTY HOLDINGS, INC.,
OTTONIEL MEDRANO AND
LETICIA ISABEL MEDRANO**

The Motion of Plaintiff Securities and Exchange Commission (“Commission”) pursuant to Rule 56, Fed. R. Civ. P., for Summary Judgment in favor of the Commission and against all Defendants International Realty Holdings, Inc. (“IRH”), Ottoniel Medrano (“O. Medrano”) and Leticia Isabel Medrano (“L.I. Medrano”) came before the Court for hearing on July 26, 2010. The Court, having considered the Commission’s Motion, the Memorandum of Points and Authorities, the Declarations including Exhibits relating thereto, the Statement of

Uncontroverted Facts and Conclusions of Law, and other documents filed in support of the motion, all documents filed in opposition to the Motion and all other evidence and argument presented regarding the motion, finds that:

I.

IT IS HEREBY ORDERED that the Commission's Motion for Summary Judgment against Defendants IRH, O. Medrano and L.I. Medrano is GRANTED.

II.

On April 20, 2010, this Court entered a Judgment, Permanent Injunction and Other Relief as to Defendant O. Medrano (Dkt. No. 42) pursuant to a Consent by O. Medrano. (Dkt. No. 40). ("O. Medrano Judgment"). Also on April 20, 2010, this Court entered a Judgment, Permanent Injunction and Other Relief as to Defendant IRH (Dkt. No. 43) pursuant to a Consent by IRH. (Dkt. No. 41). ("IRH Judgment"). On April 29, 2010, this Court entered a Judgment, Permanent Injunction and Other Relief as to Defendant L.I. Medrano (Dkt. No. 45) pursuant to a Consent by L.I. Medrano. (Dkt. No. 44). ("L.I. Medrano Judgment").

III.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants IRH, O. Medrano, and L.I. Medrano and Defendants' agents, servants, employees, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933 ("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:

- (a) to employ any device, scheme, or artifice to defraud;

(b) 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

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

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants IRH, O. Medrano and L.I. Medrano and Defendants' agents, servants, employees, and all persons in active concert or participation with them who receive actual notice of this 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 ("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 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.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, IRH, O. Medrano and L.I. Medrano and Defendants' agents, servants, employees, and all persons in active concert or participation with them who receive actual notice of this 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.

VI.

IT IS ORDERED, ADJUDGED AND DECREED that Defendants IRH, O. Medrano and L.I. Medrano shall be liable jointly and severally for disgorgement of \$755,000.00, representing proceeds gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$6,497.39. Each Defendant, IRH, O. Medrano and L.I. Medrano shall receive a credit for any sums paid by any other of these Defendants on this disgorgement and/or interest obligations.

Defendants IRH, O. Medrano and L.I. Medrano shall satisfy this obligation by paying \$761,497.39 (\$755,000.00 plus \$6,497.39) within fourteen (14) business 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 O-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying the payer 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. Copies of this cover letter and the means of payment shall be simultaneously transmitted to Counsel for the Commission in this action at its Los Angeles Regional Office. Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant IRH shall pay a civil penalty in the amount of \$650,000.00 pursuant to Section 20(d) of the Securities Act 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant IRH shall make this payment within fourteen (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 the payer's name 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 IRH 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.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant O. Medrano shall pay a civil penalty in the amount of \$130,000.00 pursuant to Section 20(d) of the Securities Act 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant O. Medrano shall make this payment within fourteen (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 the payer's name 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 O. Medrano 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.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant L.I. Medrano shall pay a civil penalty in the amount of \$130,000.00 pursuant to Section 20(d) of the Securities Act 15 U.S.C. § 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant L.I. Medrano shall make this payment within fourteen (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 the

payer's name 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 L.I. Medrano 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.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, and their officers, agents, servants, employees, attorneys, subsidiaries and affiliates, shall forthwith transfer to the registry of this Court all assets, funds, and other property held in foreign locations in the name of IRH, O. Medrano, and/or L. Medrano, or for the benefit or under the direct or indirect control of any of them, or over which any of them exercise control or signatory authority.

XI.

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 and all orders and decrees which have been entered or may be entered herein, and to grant such other relief as the Court may deem necessary and just.

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XII.

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 Judgment forthwith and without further notice.

Dated: July 28, 2010


UNITED STATES DISTRICT JUDGE

Presented by:

Gregory C. Glynn, Esq.
Attorneys for Plaintiff
SECURITIES & EXCHANGE COMMISSION