

1 JOHN B. BULGOZDY (Cal. Bar No. 219897)  
Email: bulgozdyj@sec.gov  
2 SAM S. PUATHASNANON (Cal. Bar No. 198430)  
Email: puathasnanons@sec.gov  
3 JENNIFER T. PURPERO (Cal. Bar No. 247976)  
Email: purperoj@sec.gov  
4

5 Attorneys for Plaintiff  
Securities and Exchange Commission  
Michele Wein Layne, Regional Director  
6 Lorraine B. Echavarria, Associate Regional Director  
John W. Berry, Regional Trial Counsel  
7 5670 Wilshire Boulevard, 11th Floor  
Los Angeles, California 90036  
8 Telephone: (323) 965-3998  
9 Facsimile: (323) 965-3908

10  
11 **UNITED STATES DISTRICT COURT**  
12 **CENTRAL DISTRICT OF CALIFORNIA**  
13 **SOUTHERN DIVISION**

14 SECURITIES AND EXCHANGE  
15 COMMISSION,

16 Plaintiff,

17 vs.

18 APARTMENTS AMERICA, LLC;  
MICHAEL J. STEWART; JOHN J.  
19 PACKARD; and RANDALL A. SMITH,

20 Defendants.  
21  
22  
23  
24  
25  
26  
27  
28

Case No. SACV 12-754 DOC (ANx)

**FINAL JUDGMENT OF PERMANENT  
INJUNCTION AND OTHER RELIEF  
AGAINST DEFENDANT MICHAEL J.  
STEWART**

1 The Securities and Exchange Commission having filed a Complaint and  
2 Defendant, Michael J. Stewart (“Stewart”), having filed an answer to the  
3 Complaint; consented to the Court’s jurisdiction over Stewart and the subject  
4 matter of this action; consented to entry of this Judgment without admitting or  
5 denying the allegations of the Complaint (except as to jurisdiction); waived  
6 findings of fact and conclusions of law; and waived any right to appeal from this  
7 Judgment.

8 **I.**

9 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
10 that Stewart and Stewart’s agents, servants, employees, attorneys, and all persons  
11 in active concert or participation with them who receive actual notice of this  
12 Judgment by personal service or otherwise are permanently restrained and enjoined  
13 from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”)  
14 [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or  
15 instruments of transportation or communication in interstate commerce or by use  
16 of the mails, directly or indirectly:

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

18 (b) to obtain money or property by means of any untrue statement  
19 of a material fact or any omission of a material fact necessary in order to  
20 make the statements made, in light of the circumstances under which they  
21 were made, not misleading; or

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

24 **II.**

25 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
26 that Stewart and Stewart’s agents, servants, employees, attorneys, and all persons  
27 in active concert or participation with them who receive actual notice of this  
28 Judgment by personal service or otherwise are permanently restrained and enjoined

1 from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or  
2 indirectly, in the absence of any applicable exemption:

3 (a) Unless a registration statement is in effect as to a security,  
4 making use of any means or instruments of transportation or communication in  
5 interstate commerce or of the mails to sell such security through the use or medium  
6 of any prospectus or otherwise;

7 (b) Unless a registration statement is in effect as to a security,  
8 carrying or causing to be carried through the mails or in interstate commerce, by  
9 any means or instruments of transportation, any such security for the purpose of  
10 sale or for delivery after sale; or

11 (c) Making use of any means or instruments of transportation or  
12 communication in interstate commerce or of the mails to offer to sell or offer to  
13 buy through the use or medium of any prospectus or otherwise any security, unless  
14 a registration statement has been filed with the Commission as to such security, or  
15 while the registration statement is the subject of a refusal order or stop order or  
16 (prior to the effective date of the registration statement) any public proceeding or  
17 examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

18 **III.**

19 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
20 that Stewart and Stewart's agents, servants, employees, attorneys, and all persons  
21 in active concert or participation with them who receive actual notice of this  
22 Judgment by personal service or otherwise, and any entity Stewart owns or  
23 controls, are permanently restrained and enjoined from offering unregistered  
24 securities.

25 **IV.**

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Stewart  
27 is liable for a civil penalty in the amount of **\$75,000** pursuant to Section 20(d) of  
28 the Securities Act, 15 U.S.C. § 77t(d). Stewart shall satisfy this obligation by

1 paying **\$75,000** to the Commission within 14 days after entry of this Final  
2 Judgment.

3         Stewart may transmit payment electronically to the Commission, which will  
4 provide detailed ACH transfer/Fedwire instructions upon request. Payment may  
5 also be made directly from a bank account or by credit or debit card via Pay.gov  
6 through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Stewart  
7 may also pay by certified check, bank cashier's check, or United States postal  
8 money order payable to the Commission, which shall be delivered or mailed to

9                                 Enterprise Services Center  
10                                Accounts Receivable Branch  
11                                6500 South MacArthur Boulevard  
12                                Oklahoma City, OK 73169

13 and shall be accompanied by a letter identifying the case title, civil action number,  
14 and name of this Court; Michael J. Stewart as a Defendant in this action; and  
15 specifying that payment is made pursuant to this Final Judgment.

16         Stewart shall simultaneously transmit photocopies of evidence of payment  
17 and case identifying information to the Commission's counsel in this action. By  
18 making this payment, Stewart relinquishes all legal and equitable right, title, and  
19 interest in such funds and no part of the funds shall be returned to Stewart. The  
20 Commission shall send the funds paid pursuant to this Final Judgment to the  
21 United States Treasury.

22   **V.**

23         IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
24 Consent is incorporated herein with the same force and effect as if fully set forth  
25 herein, and that Stewart shall comply with all of the undertakings and agreements  
26 set forth therein.

27   **VI.**

28         IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this

1 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms  
2 of this Judgment.

3 **VII.**

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

7  
8 Dated: 3/3/14

*David O. Carter*

---

HONORABLE DAVID O. CARTER  
UNITED STATES DISTRICT JUDGE

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28