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Linda Chatman Thomsen  
Scott W. Friestad  
Robert G Wilson  
Andrew B Sporkin  
Attorneys for Plaintiff  
Securities and Exchange Commission  
450 5<sup>th</sup> Street, N W  
Washington, DC 20549  
(202) 942-4800  
(202) 942-9639 (fax)

Nov 7 1 54 PM '00

U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
BY *[Signature]*

Local Counsel  
Karen L Matteson, Calif Bar # 102103  
Securities and Exchange Commission  
5670 Wilshire Blvd, 11<sup>th</sup> Floor  
Los Angeles, CA 90036-3648  
(323) 965-3840  
(323) 965-3908 (fax)

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U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
EASTERN DIVISION

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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Civil Action No

Plaintiff,

**EDCV 00-861 RT**

v

**FINAL JUDGMENT OF  
PERMANENT  
INJUNCTION AS TO  
GARY J. LARKIN**

NEMDACO, INC, STANLEY SCHULMAN,  
JEFFREY R BENDER and GARY J LARKIN,

Defendants

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*(SGL)*

1 Plaintiff Securities and Exchange Commission (the "Commission"), having filed its Complaint, and  
2 defendant Gary J Larkin ("Larkin"), in his Consent of Gary J. Larkin ("Consent"), filed simultaneously  
3 with this Final Judgment of Permanent Injunction as to Gary J Larkin ("Final Judgment") and incorporated  
4 herein by reference, having entered a general appearance, having admitted the jurisdiction of this Court  
5 over himself and over the subject matter of this action, having waived service of process, having waived  
6 filing an answer, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of  
7 the Federal Rules of Civil Procedure, having waived any right he may have to appeal from the entry of this  
8 Final Judgment, and, without admitting or denying any of the allegations of the Complaint, except as to  
9 jurisdiction, which he admits, having consented to the entry of this Final Judgment enjoining him from  
10 engaging in transactions, acts, practices and courses of business that constitute violations of Sections 5(a),  
11 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U S C §§ 77e(a), 77e(c) and 77q(a)],  
12 and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U S C § 78j(b)] and  
13 Rule 10b-5 promulgated thereunder [17 C F R § 240 10b-5], and further enjoining him from aiding and  
14 abetting violations of Section 13(a) of the Exchange Act of 1934 [15 U.S.C. § 78m(a)] and Rules 12b-  
15 20, 13a-1, 13a-11 and 13a-13 thereunder [17 C F R §§ 240.12b-20, 240 13a-1, 240 13a-11 and  
16 240 13a-13], and it further appearing that this Court has jurisdiction over defendant Larkin and the  
17 subject matter hereof, and the Court being fully advised in the premises  
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I

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Larkin, his agents, servants, employees, attorneys-in-fact and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U S C. § 77e(a) and 77e(c)] by in the absence of an applicable exemption, directly or indirectly,

- a) unless a registration statement is in effect as to a security, i) 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 or ii) 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 delivery or
- b) 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 as to such security, or while the registration statement is the subject of a refusal or stop order or (prior to the effective date of the registration statement) any public proceeding under Section 8 of the Securities Act [15 U.S C § 77h]

II

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Larkin, his agents, servants, employees, attorneys-in-fact and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U S C § 77q(a)] by, in the offer or sale of any securities, using any means or instruments of transportation or communication in interstate commerce, or using the mails, directly or indirectly

- (a) employing any device, scheme, or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of a material fact or any omission 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) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser

III

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Larkin, his agents, servants, employees, attorneys-in-fact and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and

1 they hereby are permanently restrained and enjoined from violating Section 10(b) of the Exchange Act [15  
2 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5] by, directly or  
3 indirectly, through the use of any means or instrumentality of interstate commerce, or of the mails, or of any  
4 facility of a national securities exchange

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

12 in connection with the purchase or sale of any security

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14 IV.

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16 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Larkin, his agents,  
17 employees, servants, attorneys-in-fact, and those persons in active concert or participation with them who  
18 receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and  
19 they hereby are enjoined and restrained from, directly or indirectly, aiding and abetting violations of  
20 Sections 13(a) of the Exchange Act of 1934 [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1, 13a-11  
21 and 13a-13 promulgated thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-  
22 13] by directly or indirectly, filing or causing to be filed with the Commission, on behalf of any issuer, any  
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1 annual, quarterly or other report required to be filed with the Commission pursuant to Section 13(a) of the  
2 Exchange Act [15 U.S.C. § 78m(a)] and the rules and regulations promulgated thereunder, which contains  
3 any untrue statement of material fact, which omits to state any material fact necessary in order to make the  
4 statements made, in the light of the circumstances under which they were made, not misleading, or which  
5 omits to disclose any information required to be disclosed  
6

7 V

8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon Larkin's  
9 sworn representations in his Statement of Financial Condition dated July 24, 1999, and submitted to the  
10 Commission, the Court is not ordering him to pay a civil penalty pursuant to Section 20(d) of the  
11 Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §  
12 78u(d)(3)]. The determination not to impose a civil penalty and to waive payment of and pre-judgment  
13 interest thereon is contingent upon the accuracy and completeness of Larkin's Statement of Financial  
14 Condition. If at any time following the entry of this Final Judgment the Commission obtains information  
15 indicating that Larkin's representations to the Commission concerning his assets, income, liabilities, or  
16 net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time  
17 such representations were made, the Commission may, at its sole discretion and without prior notice to  
18 Larkin, petition this Court for an order requiring Larkin to pay a civil penalty and pre-judgment and  
19 post-judgment interest thereon. In connection with any such petition, the only issues shall be whether  
20 the financial information provided by Larkin was fraudulent, misleading, inaccurate or incomplete in any  
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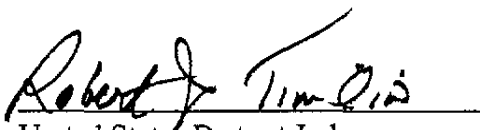
1 material respect as of the time such representations were made, and the amount of civil penalty to be  
2 imposed. In its petition, the Commission may move this Court to consider all available remedies,  
3 including, but not limited to, ordering Larkin to pay funds or assets, directing the forfeiture of any assets,  
4 or sanctions for contempt of this Final Judgment, and the Commission may also request additional  
5 discovery. Larkin may not, by way of defense to such petition, challenge the validity of his Consent or  
6 the Final Judgment, contest the allegations in the Complaint filed by the Commission, or assert that  
7 payment of a civil penalty should not be ordered.  
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10 VI

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain  
12 jurisdiction over this action for all purposes, including the implementation and enforcement of this Final  
13 Judgment.

14 VII

15 There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule  
16 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.  
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United States District Judge

21 DATED: 11/9, 2000  
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