Elaine M. Cacheris, Cal. Bar # 101605 Sandra J. Harris, Cal. Bar # 134153 James A. Howell, Cal. Bar # 92721 2 GNEEL Ronald E. Wood, Cal. Bar # 133854 Emily A. Breckenridge, Cal. Bar # 157050 3 CLERK, U.S. DISTRICT COURT Attorneys for Plaintiff 4 Securities and Exchange Commission Jan I *a* 1999 5670 Wilshire Blvd., 11th Floor Los Angeles, CA 90036 CENTRAL DISTRICT Telephone: (323) 965-3998 6 Fassimile: (323) 965-3812 7 UNITED STATES DISTRICT COURT ENTERED CLERK, U.S. DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA .ian 20 1999 WESTERN DIVISION CENTRAL DISTRICT OF CALFORNIA 11 SECURITIES AND EXCHANGE COMMISSION,: Civil Action No. 12 97-0440 JGD (CTx) Plaintiff, 13 FINAL JUDGMENT OF DISGORGEMENT AGAINST 14 DEFENDANT NEAL B. ST MUSTANG DEVELOPMENT CORPORATION, 15 a California corporation; TOWER OPERATING COMPANY, a California 16 corporation; NEAL B. STEIN; CARY S. GREENE; and SAMUEL EMBRAS, JR., 17 Defendants. 18 19

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Neal B. Stein ("Stein") a Summons and Complaint for Permanent Injunction and Other Relief ("Complaint") in this matter, and the Court having entered on February 2, 1997, a Judgment of Permanent Injunction and Other Relief Against Defendant Neal B. Stein ("Judgment of Permanent Injunction"), enjoining Stein from further violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities

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Act") [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], to which defendant Stein consented, without admitting or denying the allegations of the Commission's Complaint, and that Judgment of Permanent Injunction having reserved the issue of the amount of disgorgement and penalties owed by defendant Stein;

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Further, defendant Stein having admitted service of the Summons and Complaint in this action and the jurisdiction of this Court over him and over the subject matter of this action; having been fully advised and informed of his right to a judicial determination of this matter; having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to the entry of this Final Judgment of Disgorgement Against Defendant Neal B. Stein ("Final Judgment of Disgorgement"), without admitting or denying the allegations of the Commission's Complaint, except as specifically set forth in the Consent of Defendant Neal B. Stein to Entry of Final Judgment of Disgorgement ("Consent"); and it appearing that no notice of hearing upon the entry of this Final Judgment of Disgorgement being necessary; and the Court being fully advised in the premises, and there being no just reason for delay:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Stein shall pay disgorgement in the amount of \$696,693, representing his gains from the conduct alleged in the Complaint, plus pre-judgment interest thereon in the amount of \$87,110.

Based upon Stein's sworn representations in his Statement of Financial Condition of assets and liabilities as of April 23, 1998 submitted to the Commission, payment of the disgorgement and prejudgment interest thereon is waived, contingent upon the accuracy and completeness of the Statement of Financial Condition.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon Stein's sworn Statement of Financial Condition, the Court is not ordering Stein to pay a civil penalty under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990 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)]. The determination not to impose a civil penalty against Stein is contingent upon the accuracy and completeness of Stein's Statement of Financial Condition.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that if at any time following the entry of this Final Judgment of Disgorgement the Commission obtains information indicating that Stein's representations in the Statement of Financial Condition concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Stein, petition this Court for an order requiring Stein to pay the full amount of disgorgement and prejudgment and post-judgment interest thereon and requiring Stein to pay a civil penalty. In

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connection with any such petition, the only issue shall be whether the financial information provided by Stein was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed against Stein. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Stein to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of the Final Judgment of Disgorgement, and the Commission may also request additional discovery. Stein may not, by way of defense to such petition, challenge the validity of the Consent or this Final Judgment of Disgorgement, contest the allegations in the Complaint filed by the Commission, the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of the Consent filed concurrently with the Final Judgment of Disgorgement is incorporated herein with the same force and effect as if fully set forth herein and that Stein shall comply with his Consent.

٧.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes including determining the liability of any remaining defendants in this action, implementing and enforcing this Final Judgment of Disgorgement and all other orders and decrees which have been and

may be entered herein, and granting such other relief as this Court may deem necessary and just. There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment of Disgorgement forthwith.

PROOF OF SERVICE

I declare that:

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I am employed in the county of Los Angeles, California. I am over the age of eighteen years and not a party to the within cause; my business address is the Securities and Exchange Commission, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California, 90036.

On January 12, 1999, I served the within: FINAL JUDGMENT OF DISGORGEMENT AGAINST DEFENDANT NEAL B. STEIN, by placing a true copy thereof enclosed in a sealed envelope postage fully prepaid in the ordinary course of business for collection and mailing at the Securities and Exchange Commission, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036 and addressed as follows:

Richard Marshack, Esq.
Marshack & Goe
Griffin Towers
Six Hutton Centre Drive, Suite 900
Santa Ana, CA 92707

Terry W. Bird, Esq. Bird, Marella, Boxer & Wolpert 1875 Century Park East 23rd Floor Los Angeles, CA 90067-2561

I declare that I am readily familiar with the business practice of the Securities and Exchange Commission for collection and processing of correspondence for mailing with the United States Postal Service and the correspondence would be deposited with the United States Postal Service that same day in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on January 12, 1999 at Los Angeles, California.

Adriane Bryant