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CLERK U S DISTRICT COURT DISTRICT OF ARIZONA	
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UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

SOUTHWEST INCOME TRUST, et al.,

Defendants.

Case No. CIV97-0953 PHX RCB

FINAL JUDGMENT OF DISGORGEMENT  
AGAINST DEFENDANT ANTHONY  
GHIRARDELLO MARRIOTT

Plaintiff Securities and Exchange Commission ("Commission"),  
having filed and served upon Defendant Anthony Ghirardello Marriott  
("Marriott"), a Summons and Complaint in this matter, and the Court  
having entered on or about July 23, 1997, a Judgment of Permanent  
Injunction and Other Relief Against Defendant Anthony Ghirardello  
Marriott ("Judgment of Permanent Injunction"), which remains in full  
force and effect, enjoining Marriott from further violations of  
Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933  
("Securities Act") [15 U.S.C. Sections 77e(a), 77e(c), and 77q(a)],  
Section 10(b) of the Securities Exchange Act of 1934 ("Exchange  
Act") [15 U.S.C. Section 78j(b)] and Rule 10b-5 thereunder [17

(123)

1 C.F.R. Section 240.10b-5], to which Marriott consented, without  
2 admitting or denying the allegations of the Commission's Complaint,  
3 and that Judgment of Permanent Injunction having reserved the issue  
4 of the amount of disgorgement and penalties owed by Marriott;

5 Further, Marriott having admitted service of the Summons and  
6 Complaint in this action and the Judgment of Permanent Injunction,  
7 and the jurisdiction of this Court over him and over the subject  
8 matter of this action; having been fully advised and informed of his  
9 right to a judicial determination of this matter; having waived the  
10 entry of findings of fact and conclusions of law as provided by Rule  
11 52 of the Federal Rules of Civil Procedure; having consented to the  
12 entry of this Final Judgment of Disgorgement Against Defendant  
13 Anthony Ghirardello Marriott ("Final Judgment of Disgorgement"),  
14 without admitting or denying the allegations in the Complaint,  
15 except as specifically set forth in the Consent of Defendant Anthony  
16 Ghirardello Marriott to Entry of Final Judgment of Disgorgement  
17 ("Consent"); and it appearing that no notice of hearing upon the  
18 entry of this Final Judgment of Disgorgement being necessary; and  
19 the Court being fully advised in the premises, and there being no  
20 just reason for delay:

21 I.

22 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Marriott shall  
23 pay the amount of \$850,865.55, representing Marriott's gains  
24 (received directly, or indirectly through Claret International  
25 Holdings) from the conduct alleged in the Complaint, plus  
26 prejudgment interest in the amount of \$75,468.71, for a total of  
27 \$926,334.26. Based upon Marriott's sworn representations in his  
28 financial statement that was completed in or about October 1999,

1 payment of all but \$272,107.28 (plus accrued interest) of the  
2 disgorgement and prejudgment interest thereon is waived. This  
3 waiver is contingent upon the accuracy and completeness of his  
4 financial statement and declaration under penalty of perjury. If at  
5 any time following the entry of the Final Judgment of Disgorgement  
6 the Commission obtains information indicating Marriott's  
7 representations to the Commission concerning his assets, income,  
8 liabilities, or net worth were fraudulent, misleading, inaccurate or  
9 incomplete in any material respect as of the time such  
10 representations were made, the Commission may, at its sole  
11 discretion and without prior notice to Marriott, petition the Court  
12 for an order modifying the Final Judgment of Disgorgement to require  
13 other payment of disgorgement, and prejudgment and post-judgment  
14 interest thereon. In connection with any such petition, the only  
15 issue shall be whether the financial information provided by  
16 Marriott was fraudulent, misleading, inaccurate or incomplete in any  
17 material respect as of the time such representations were made. In  
18 its petition, the Commission may move the Court to consider all  
19 available remedies, including, but not limited to, ordering Marriott  
20 to pay funds or assets, directing the surrender of any assets, or  
21 sanctions for contempt of the Final Judgment of Disgorgement, and  
22 the Commission may also request additional discovery. Marriott may  
23 not, by way of defense to such petition, challenge the validity of  
24 this Consent or the Final Judgment of Disgorgement, contest the  
25 allegations in the Complaint filed by the Commission, the amount of  
26 disgorgement and interest, or assert that disgorgement should not be  
27 ordered.

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II.

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2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court is  
3 not imposing a civil penalty under the Securities and Enforcement  
4 Remedies and Penny Stock Reform Act of 1990, pursuant to Section  
5 20(d) of the Securities Act [15 U.S.C. Section 77t(d)] and Section  
6 21(d)(3) of the Exchange Act [15 U.S.C. Section 78u(d)(3)]. The  
7 determination not to impose a civil penalty is contingent upon the  
8 accuracy and completeness of Marriott's sworn representations in the  
9 financial statement concerning his assets, income, liabilities, and  
10 net worth. Marriott further consents that if at any time following  
11 the entry of the Final Judgment of Disgorgement the Commission  
12 obtains information indicating that Marriott's representations to  
13 the Commission concerning his assets, income, liabilities, or net  
14 worth were fraudulent, misleading, inaccurate or incomplete in any  
15 material respect at the time such representations were made, the  
16 Commission may, at its sole discretion and without prior notice to  
17 Marriott, petition the Court for an order requiring Marriott to pay  
18 a civil penalty. In connection with any such petition, the only  
19 issue shall be whether the financial information provided by  
20 Marriott was fraudulent, misleading, inaccurate or incomplete in any  
21 material respect as of the time such representations were made, and  
22 the amount of civil penalty to be imposed. In any such petition,  
23 the Commission may move the Court to consider all available  
24 remedies, including, but not limited to, ordering Marriott to pay  
25 funds or assets, directing the forfeiture of any assets, or  
26 sanctions for contempt of the Court's Final Judgment of  
27 Disgorgement, and the Commission may also request additional  
28 discovery. Marriott may not, by way of defense to such petition,

1 challenge the validity of the Consent or the Final Judgment of  
2 Disgorgement, contest the allegations in the Complaint filed by the  
3 Commission, the amount of disgorgement and interest, or assert that  
4 disgorgement or payment of a civil penalty should not be ordered.

5 III.

6 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the  
7 disgorgement amount to be paid by Marriott shall be satisfied within  
8 30 days from the date the Final Judgment of Disgorgement is entered  
9 by the transfer of the funds previously deposited in the Court  
10 Registry Account in the sum of \$272,107.28, plus accrued interest,  
11 to Jack G. Larsen ("Receiver"), in his capacity as Receiver for  
12 defendants Southwest Income Trust, Advantage Income Trust, and  
13 Investors Trading Trust ("Trust Defendants") in the litigation  
14 pending in the Superior Court of the State of Arizona, County of  
15 Maricopa, entitled State of Arizona, et al. v. Southwest Income  
16 Trust, et al., Case No. CV97-08220. Mr. Larsen was appointed the  
17 Receiver for the Trust Defendants in that litigation by an Order  
18 issued by the Honorable B. Michael <sup>Reb</sup>Ann on or about December 5,  
19 1997. Mr. Larsen was appointed the Receiver for the purposes of  
20 monitoring the Trust Defendants involvement and interests in that  
21 Arizona state court action, the related action pending in the  
22 Superior Court of the State of California, County of Los Angeles,  
23 entitled Palo Verde 136, Inc., et al. v. Anthony Ghirardello  
24 Marriott, et al., Case No. BC165841, and this action brought by the  
25 Securities and Exchange Commission; directing and monitoring the  
26 pursuit of other claims on behalf of the Trust Defendants against  
27 certain individuals and entities for investors' monies lost due to  
28 negligence and/or other misconduct; and providing an accounting of

1 any monies obtained for the investors through settlement,  
2 arbitration, judgment or otherwise.

3 IV.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all monies  
5 that Marriott has consented to transfer herein shall be transmitted  
6 to the Receiver, Jack G. Larsen, CPA, CFE, Cleveland & Company,  
7 P.C., 3101 North Central Avenue, Suite 1490, Phoenix, Arizona 85012-  
8 9984, under cover of a letter that identifies Marriott, the caption  
9 and case number of this action, and the name of this Court. Copies  
10 of all such transfer documents and accompanying cover letter shall  
11 be simultaneously transmitted to Aimee Dominguez Silvers of the  
12 Commission, at 5670 Wilshire Blvd., 11th Floor, Los Angeles,  
13 California 90036. Marriott agrees to cooperate in the completion of  
14 all additional actions that may be necessary to give full force and  
15 effect to the terms of this Consent. At such time as said funds are  
16 transmitted to the Receiver, Marriott relinquishes all legal and  
17 equitable right, title and interest in the funds, and no part of  
18 said funds shall be returned to Marriott or his successors or  
19 assigns.

20 V.

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that at any time  
22 following the entry of the Final Judgment of Disgorgement the  
23 Commission obtains information indicating that Marriott's  
24 representations to the Commission regarding disgorgement for the  
25 amount he gained, directly or indirectly with Claret International  
26 Holdings, was fraudulent, misleading, inaccurate or incomplete in  
27 any material respect as of the time such representations were made,  
28 the Commission may, at its sole discretion and without prior notice

1 to Marriott, petition this Court to vacate any portion of the Final  
2 Judgment of Disgorgement. In connection with any such petition, the  
3 only issue shall be whether the disgorgement amount agreed to by  
4 Marriott was fraudulent, misleading, inaccurate or incomplete in any  
5 material respect as of the time such representations were made. In  
6 its petition, the Commission may move this Court to consider all  
7 available remedies, including, but not limited to, ordering Marriott  
8 to pay funds or assets, directing the forfeiture of any assets, or  
9 sanctions for contempt of the Final Judgment of Disgorgement, and  
10 the Commission may also request additional discovery. Marriott may  
11 not, by way of defense to such petition, challenge the validity of  
12 the Consent or this Final Judgment of Disgorgement, contest the  
13 allegations in the Complaint filed by the Commission, the amount of  
14 disgorgement and interest, or assert that disgorgement or the  
15 payment of a civil penalty should not be ordered.

16 VI.

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sections III  
18 and IV of the Order of Preliminary Injunction and Orders: (1)  
19 Freezing Assets and (2) Prohibiting the Transfer of Assets Against  
20 Defendant Anthony Ghirardello Marriott, entered by the Court on or  
21 about June 6, 1997, and judgment entered by the Court on or about  
22 July 23, 1997 extending these sections of the preliminary injunction  
23 order against Marriott, shall be vacated.

24 VII.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions  
26 of the Consent filed concurrently with the Final Judgment of  
27 Disgorgement are incorporated herein with the same force and effect

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1 as if fully set forth herein and that Marriott shall comply with  
2 this Consent.

3 VIII.

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court  
5 shall retain jurisdiction over this action for all purposes  
6 including determining the liability of any remaining defendants in  
7 this action, implementing and enforcing the terms of this Final  
8 Judgment of Disgorgement and all other orders and decrees which have  
9 been and may be entered herein, to resolve the Commission's pending  
10 claims for disgorgement, prejudgment interest and civil penalties as  
11 appropriate, to entertain any suitable application or motion for  
12 additional relief within the jurisdiction of this Court, and to  
13 grant such other relief as the Court may deem necessary and just.

14 \* \* \* \* \*

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

18 DATED this 12 day of June, 1999

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22 United States District Judge  
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