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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 STEVEN ROBERT  
SHOOP

Plaintiff Securities and Exchange Commission ("Commission"),  
having filed and served upon Defendant Steven Robert Shoop  
("Shoop"), 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 Steven Robert Shoop  
("Judgment of Permanent Injunction"), which remains in full force  
and effect, enjoining Shoop 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.

(121)

1 Section 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. Section  
2 240.10b-5], to which Shoop consented, without admitting or denying  
3 the allegations of the Commission's Complaint, and that Judgment of  
4 Permanent Injunction having reserved the issue of the amount of  
5 disgorgement and penalties owed by Shoop;

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

21 I.

22 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Shoop shall pay  
23 the amount of \$733,181.17, representing his ill-gotten gains from  
24 the conduct alleged in the Complaint, plus prejudgment interest in  
25 the amount of \$65,030.53, for a total of \$798,211.70. Based upon  
26 Shoop's sworn representations in his financial statement that was  
27 completed in or about October 1999, payment of all but \$115,203.57  
28 (plus accrued interest) of the disgorgement and prejudgment interest

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

1 Consent or the Final Judgment of Disgorgement, contest the  
2 allegations in the Complaint filed by the Commission, the amount of  
3 disgorgement and interest, or assert that disgorgement or payment of  
4 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 Shoop shall be satisfied within 30  
8 days from the date the Final Judgment of Disgorgement is entered by  
9 the transfer of the funds previously deposited in the Court Registry  
10 Account in the sum of \$115,203.57, plus accrued interest, to Jack G.  
11 Larsen ("Receiver"), in his capacity as Receiver for defendants  
12 Southwest Income Trust, Advantage Income Trust, and Investors  
13 Trading Trust ("Trust Defendants") in the litigation pending in the  
14 Superior Court of the State of Arizona, County of Maricopa, entitled  
15 State of Arizona, et al. v. Southwest Income Trust, et al., Case No.  
16 CV97-08220. Mr. Larsen was appointed the Receiver for the Trust  
17 Defendants in that litigation by an Order issued by the Honorable B.  
18 Michael <sup>rcb</sup> ~~Dann~~ on or about December 5, 1997. Mr. Larsen was appointed  
19 the Receiver for the purposes of monitoring the Trust Defendants  
20 involvement and interests in that Arizona state court action, the  
21 related action pending in the Superior Court of the State of  
22 California, County of Los Angeles, entitled Palo Verde 136, Inc., et  
23 al. v. Anthony Ghirardello Marriott, et al., Case No. BC165841, and  
24 this action brought by the Securities and Exchange Commission;  
25 directing and monitoring the pursuit of other claims on behalf of  
26 the Trust Defendants against certain individuals and entities for  
27 investors' monies lost due to negligence and/or other misconduct;  
28 and providing an accounting of any monies obtained for the investors

1 through settlement, arbitration, judgment or otherwise.

2 IV.

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

19 V.

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that at any time  
21 following the entry of the Final Judgment of Disgorgement the  
22 Commission obtains information indicating that Shoop's  
23 representations to the Commission regarding disgorgement for the  
24 amount he gained was fraudulent, misleading, inaccurate or  
25 incomplete in any material respect as of the time such  
26 representations were made, the Commission may, at its sole  
27 discretion and without prior notice to Shoop, petition this Court to  
28 vacate any portion of the Final Judgment of Disgorgement. In

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

15 VI.

16 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Sections I and  
17 II of the Temporary Restraining Order: (1) Freezing Assets and (2)  
18 For an Accounting; And for Order to Show Cause Why a Preliminary  
19 Injunction Should Not Be Granted Thereon Against Defendants Anthony  
20 Ghirardello Marriott and Steven Robert Shoop, entered by the Court  
21 on or about May 5, 1997, and subsequent orders dated May 16 and June  
22 4, 1997 and judgment dated July 16, 1997, extending these sections  
23 of the temporary restraining order against Shoop, shall be vacated.

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VII.

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


VIII.

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 the terms of this Final Judgment of Disgorgement and all other orders and decrees which have been and may be entered herein, to resolve the Commission's pending claims for disgorgement, prejudgment interest and civil penalties as appropriate, to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and to grant such other relief as the 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 Judgment forthwith.

DATED this 12 day of June, 1999 2000

  
United States District Judge