

ORIGINAL

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Rev. of 11/27/98

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FILED
CLERK, U.S. DISTRICT COURT
FEB 17 2000
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

9 UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

Priority
 Send
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 JS-5/JS-6
 JS-2/JS-3

FEB 14 2 24 PM '00
CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.

10 _____ :
11 SECURITIES AND EXCHANGE COMMISSION, :
12 Plaintiff :
13 v. :
14 MICROWEST INDUSTRIES, INC., :
15 MICROWEST INCOME FUND, :
16 MICROWEST MICROSYSTEMS, INC., :
17 STEVEN P. HEVELL :
18 JOSEPH G. OBEY, :
19 ALLAN T. MATZAT, :
20 ELLSWORTH L. BROUILLETTE, :
21 NEAL C. HARPER, :
22 DWIGHT H. STEPHENS, :
23 JIM D. JAMES, :
24 BLAKE T. WARD, :
25 THOMAS J. PERKINS, and :
26 ANTHONY F. MOSS, :
27 Defendants. :
28 _____ :

Case No. CV 97-9150-CAS
(CTx)

FINAL JUDGMENT OF
PERMANENT INJUNCTION
AND OTHER RELIEF
AGAINST DEFENDANT
JOSEPH G. OBEY

ENTERED
CLERK, U.S. DISTRICT COURT
FEB 18 2000
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

Docketed
 Copies / NTC Sent
 JS - 5 / JS - 6
 JS - 2 / JS - 3
 CLSD

23 Plaintiff Securities and Exchange Commission, having filed
24 and served upon Defendant JOSEPH G. OBEY ("Obey") a Summons and
25 Complaint in this action; Defendant Obey having admitted service
26 upon him of the Summons and Complaint in this action and the
27 jurisdiction of this Court over him and over the subject matter
28 of this action; having been fully advised and informed of his

1 right to a judicial determination of this action; having waived
2 the entry of findings of fact and conclusions of law as provided
3 by Rule 52 of the Federal Rules of Civil Procedure; having
4 consented to the entry of this Final Judgment of Permanent
5 Injunction Against Defendant Joseph G. Obey ("Final Judgment")
6 without admitting or denying any of the allegations in the
7 Complaint, except as specifically set forth in the Consent of
8 Defendant Joseph G. Obey To Entry of Final Judgment of Permanent
9 Injunction and Other Relief ("Consent"); it appearing that no
10 notice of hearing upon the entry of this Final Judgment being
11 necessary; and the Court being fully advised in the premises; and
12 there being no just reason for delay:

13 I.

14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
15 Obey and his agents, servants, employees, and attorneys, and all
16 persons acting in active concert or participation with any of
17 them, who receive actual notice of this Final Judgment by
18 personal service or otherwise, and each of them, are permanently
19 restrained and enjoined from, directly or indirectly:

20 A. making use of any means or instruments of
21 transportation or communication in interstate commerce
22 or of the mails to sell the securities of any issuer,
23 through the use or medium of any prospectus or
24 otherwise, unless and until a registration is in effect
25 as to such securities;

26 B. carrying or causing to be carried through the mails or
27 in interstate commerce, by any means or instruments of
28 transportation, for the purpose of sale or for delivery

1 after sale, the securities of any issuer, unless and
2 until a registration statement is in effect as to such
3 securities; and

4 C. making use of any means or instruments of
5 transportation or communication in interstate commerce
6 or of the mails to offer to sell or offer to buy,
7 through the use or medium of any prospectus or
8 otherwise, the securities of any issuer, unless and
9 until a registration statement has been filed with the
10 Commission as to such securities, or while a
11 registration statement as to such securities is the
12 subject of a refusal order or stop order or (prior to
13 the effective date of the registration statement) any
14 public proceeding or examination under Section 8 of the
15 Securities Act of 1933 [15 U.S.C. § 77h];

16 in violation of Sections 5(a) and 5(c) of the Securities Act of
17 1933 ("Securities Act") [15 U.S.C. §§ 77e(a) & 77e(c)]; provided,
18 however, that nothing in Part I of this Final Judgment shall
19 apply to any security or transaction that is exempt from the
20 provisions of Section 5 of the Securities Act [15 U.S.C. § 77e].

21 II.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
23 Obey and his agents, servants, employees, and attorneys, and all
24 persons acting in active concert or participation with any of
25 them, who receive actual notice of this Final Judgment by
26 personal service or otherwise, and each of them, are permanently
27 restrained and enjoined from, directly or indirectly, in
28 connection with the purchase or sale of the securities of any

1 issuer, by the use of any means or instrumentality of interstate
2 commerce, or of the mails, or of any facility of any national
3 securities exchange:

4 A. employing any device, scheme, or artifice to defraud;

5 B. making any untrue statement of a material fact or
6 omitting to state a material fact necessary in order
7 to make the statements made, in the light of the
8 circumstances under which they were made, not
9 misleading; or

10 C. engaging in any act, practice, or course of business
11 which operates or would operate as a fraud or deceit
12 upon any person;

13 in violation of Section 10(b) of the Securities Exchange Act of
14 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5
15 thereunder [17 C.F.R. § 240.10b-5].

16 III.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
18 Obey pay disgorgement in the amount of \$80,000 representing his
19 gains from the conduct alleged in the Complaint, plus pre-
20 judgment interest thereon. Based upon Obey's sworn
21 representations in his Statements of Financial Condition dated
22 June 5, 1997 and October 5, 1998 and in his sworn Asset
23 Deposition testimony of April 23, 1998, all submitted to the
24 Commission, payment of all but \$15,000 of the disgorgement and
25 prejudgment interest thereon is waived, contingent upon the
26 accuracy and completeness of his Statements of Financial
27 Condition and truthful Asset Deposition testimony. This sum of
28 \$15,000 may be paid in three (3) installments. The first

1 installment of \$5,000.00 shall be paid within thirty days of
2 Entry of the Judgment by the Court herein. The second
3 installment of \$5,000.00 shall be paid within ninety (90) days of
4 Entry of Judgment. The third and final installment of \$5,000.00
5 shall be paid within one hundred and eighty (180) days of Entry
6 of Judgment. Obey shall make these payments, by cashier's check,
7 certified check or postal money order. This sum of \$15,000 shall
8 be paid as disgorgement as set forth above by checks or money
9 orders made payable to the United States Securities and Exchange
10 Commission, 450 Fifth Street, N.W., Stop 0-3, Washington, D.C.
11 20549, under cover of a letter or letters that identifies the
12 defendant, the name and case number of this litigation, and the
13 Court. A copy of such cover letter shall be simultaneously
14 transmitted to Counsel for the Commission in this action at its
15 Los Angeles Office.

16 IV.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
18 determination to waive payment of all but \$15,000 of the
19 disgorgement and pre-judgment interest thereon is contingent upon
20 the accuracy and completeness of Obey's Statements of Financial
21 Condition and Asset Deposition Testimony. If, at any time
22 following the entry of this Final Judgment, the Commission
23 obtains information indicating that Obey's representations to the
24 Commission concerning his assets, income, liabilities, or net
25 worth were fraudulent, misleading, inaccurate, or incomplete in
26 any material respect as of the time such representations were
27 made, the Commission may, at its sole discretion and without
28 prior notice to Defendant Obey, petition this Court for an order

1 requiring Defendant Obey to pay the remaining portion of the
2 disgorgement and prejudgment and postjudgment interest thereon.
3 In connection with any such petition, the only issues shall be
4 whether the financial information provided by Obey was
5 fraudulent, misleading, inaccurate or incomplete in any material
6 respect as of the time such representations were made. In its
7 petition, the Commission may move this Court to consider all
8 available remedies, including, but not limited to, ordering Obey
9 to pay funds or assets, directing the forfeiture of assets, or
10 sanctions for contempt of this Final Judgment, and the Commission
11 may also request additional discovery. Obey may not, by way of
12 defense to such petition, challenge the validity of his Consent
13 or the Final Judgment, or contest the allegations in the
14 Complaint filed by the Commission, the amount of disgorgement and
15 interest or assert that disgorgement should not be ordered. The
16 Court shall determine upon all the evidence before it whether
17 disgorgement shall be awarded, and if so, the amount of such
18 disgorgement.

19 V.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
21 provisions of the Consent filed concurrently with this Final
22 Judgment are incorporated herein with the same force and effect
23 as if fully set forth herein and that Defendant Obey shall comply
24 with his Consent.

25 VI.

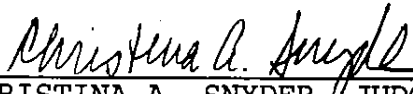
26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
27 shall retain jurisdiction over this action to determine the
28 liability of any remaining defendants in this action, to

1 implement and to enforce the terms of this Final Judgment and all
2 other orders and decrees that may be entered herein, and to grant
3 such other relief as the Court may deem necessary and just.

4 * * * * *

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

8
9 DATED: Feb. 16, 2000

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11 
12 CHRISTINA A. SNYDER, JUDGE
13 UNITED STATES DISTRICT COURT
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PROOF OF SERVICE

I, the undersigned, declare that I am over the age of 18 years and not a party to the action. I am employed in the County of Los Angeles, State of California, in which county the within-mentioned mailing occurred. My business address is 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036. I am familiar with the practice of the U.S. Securities and Exchange Commission of collecting and processing legal documents and correspondence for mailing. The Commission's practice is to deposit correspondence with the United States Postal Service on the same day that it is prepared for mailing in the ordinary course of business.

On February 14, 2000, I served the following document(s):

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND
OTHER RELIEF AGAINST DEFENDANT JOSEPH C. OBEY**

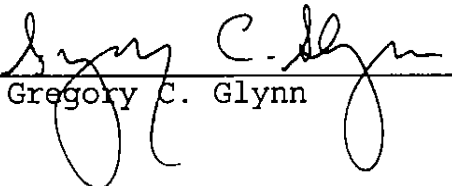
by placing a true and correct copy in a separate envelope for each addressee named hereafter, addressed to each such addressee respectively as follows:

See Attached
MASTER SERVICE LIST

I then sealed the envelope with postage thereon fully prepaid and deposited it for collection and mailing via the United States Postal Service today in accordance with the ordinary business practices of the Commission at the Commission's address previously set forth.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that I am employed in the office of a member of the Bar of this Court at whose direction this service was made.

Executed on February 14, 2000, at Los Angeles, California.



Gregory C. Glynn

MASTER SERVICE LIST
Securities and Exchange Commission
v.
Microwest Industries, Inc. et al.
United States District Court
Case No. CV 97-9150 (CAS) (CTX)

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MASTER SERVICE LIST
Securities and Exchange Commission
v.
Microwest Industries, Inc. et al.
United States District Court
Case No. CV 97-9150 (CAS) (CTX)

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