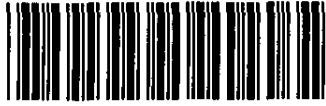


USDC SCAN INDEX SHEET



CAG 8/26/98 10:41  
3:98-CV-01265 SEC V. GILLETTE  
\*5\*  
\*JGM.\*

1 SANDRA J. HARRIS, Cal. Bar # 134153  
WILLIAM E. WHITE, Cal. Bar # 155617  
2 KATHLEEN K. BISACCIA, Cal. Bar # 157324

FILED

98 AUG 26 AM 9:27

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

3  
4 Attorneys for Plaintiff  
Securities and Exchange Commission  
5670 Wilshire Boulevard, 11th Floor  
5 Los Angeles, California 90036-3648  
(213) 965-3998  
6  
7

BY: *Cagumer* DEPUTY

8 UNITED STATES DISTRICT COURT  
9 SOUTHERN DISTRICT OF CALIFORNIA

10  
11 SECURITIES AND EXCHANGE COMMISSION  
12 Plaintiff,  
13 vs.  
14 JOHN W. GILLETTE, JR.,  
15 Defendant.

Case No. '98 CV 1265 S CGA  
[PROPOSED] JUDGMENT OF PERMANENT  
INJUNCTION AND OTHER RELIEF  
AGAINST JOHN W. GILLETTE, JR.

16  
17 Plaintiff Securities and Exchange Commission ("Commission"),  
18 having filed and served upon Defendant John W. Gillette, Jr.  
19 ("Gillette") a Summons and Complaint in this matter and Defendant  
20 Gillette having admitted service upon him of the Summons and  
21 Complaint in this action and the jurisdiction of this Court over him  
22 and over the subject matter of this action; having been fully  
23 advised and informed of his rights to a judicial determination of  
24 this matter; having waived the entry of findings of fact and  
25 conclusions of law as provided by Rule 52 of the Federal Rules of

26 \*  
27 \*  
28 \*

ENTERED ON 8-26-98

1 Civil Procedure; having consented to the entry of this Final  
2 Judgment of Permanent Injunction and Other Relief Against Defendant  
3 John W. Gillette, Jr. ("Final Judgment") without admitting or  
4 denying the allegations in the Complaint, except as specifically set  
5 forth in the Consent of Defendant John W. Gillette, Jr. to Entry of  
6 Final Judgment of Permanent Injunction and Other Relief ("Consent");  
7 and it appearing that no notice of hearing upon the entry of this  
8 Final Judgment being necessary; and the Court being fully advised in  
9 the premises, and there being no just reason for delay:

10 I.

11 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Gillette and  
12 his agents, servants, employees and attorneys, and all persons in  
13 active concert or participation with any of them, who receive actual  
14 notice of this Final Judgment, by personal service or otherwise, and  
15 each of them, are permanently restrained and enjoined from, directly  
16 or indirectly, in the offer or sale of the securities of any issuer,  
17 by the use of any means or instruments of transportation or  
18 communication in interstate commerce or by the use of the mails:

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

20 B. obtaining money or property by means of any untrue  
21 statement of a material fact or any omission to state a material  
22 fact necessary in order to make the statements made, in the light of  
23 the circumstances under which they were made, not misleading; or

24 C. engaging in any transaction, practice, or course of  
25 business which operates or would operate as a fraud or deceit upon  
26 the purchaser; in violation of Section 17(a) of the Securities Act  
27 of 1933, as amended, ("Securities Act") [15 U.S.C. § 77q(a)].

28 \*

1 II.

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
3 Gillette and his agents, servants, employees and attorneys, and all  
4 persons in active concert or participation with any of them, who  
5 receive actual notice of this Final Judgment, by personal service or  
6 otherwise, and each of them, are permanently restrained and enjoined  
7 from, directly or indirectly, by the use of any means or  
8 instrumentality of interstate commerce, or of the mails, or of any  
9 facility of any national securities exchange:

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

11 B. making any untrue statement of a material fact or  
12 omitting to state a material fact necessary in order to make the  
13 statements made, in the light of the circumstances under which they  
14 were made, not misleading; or

15 C. engaging in any act, practice, or course of business  
16 which operates or would operate as a fraud or deceit upon any  
17 person, in connection with the purchase or sale of any security;  
18 in violation of Section 10(b) of the Securities Exchange Act of  
19 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder  
20 [17 C.F.R. § 240.10b-5].

21 III.

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

1 A. making use of the mails or means or instrumentalities of  
2 interstate commerce to engage in the business of advising others,  
3 for compensation, either directly or through publications or  
4 writings, as to the value of securities or as to the advisability of  
5 investing in, purchasing, or selling securities, or

6 B. making use of the mails or means or instrumentalities of  
7 interstate commerce, for compensation and as a part of a regular  
8 business, issuing or promulgating analyses or reports concerning  
9 securities, in violation of Section 203(a) of the Investment  
10 Advisers Act of 1940 ("Advisers Act"), [15 U.S.C. § 80b-3(a)],  
11 without being registered as an investment adviser in accordance with  
12 Section 203(c) of the Advisers Act [15 U.S.C. § 80b-3(c)].

13 IV.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
15 Gillette, and his agents, servants, employees and attorneys, and all  
16 persons in active concert or participation with any of them, who  
17 receive actual notice of this Final Judgment by personal service or  
18 otherwise, and each of them, are permanently restrained and enjoined  
19 from, directly or indirectly, by use of the mails or any means or  
20 instrumentality of interstate commerce, while acting as an  
21 investment adviser:

22 A. employing any devices, schemes or artifices to defraud  
23 advisory clients or prospective advisory clients, in violation of  
24 Section 206(1) of the Advisers Act [15 U.S.C. § 80b-6(1)]; and

25 B. engaging in transactions, practices or courses of business  
26 which operate as a fraud or deceit upon advisory clients or  
27 prospective advisory clients, in violation of Section 206(2) of the  
28 Advisers Act [15 U.S.C. § 80b-6(2)].

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V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, upon request by the Commission, Gillette shall provide all documents in his possession, custody or control to the Commission and disclose under oath all information with respect to his activities and the activities of others about which the Commission or its staff may inquire or request. Such production of documents and disclosure of information by Gillette shall be made upon reasonable notice in writing and without the service of a subpoena and subject only to the good faith assertion of any privileges recognizable pursuant to the provisions of Rule 501 of the Federal Rules of Evidence or the United States Constitution and amendments thereto.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that representatives of the Commission are authorized to have continuing access to inspect or copy any or all of the business books and records and other documents of Defendant Gillette, including, but not limited to those documents maintained by John W. Gillette Company d/b/a ProSports Management, Inc., and Impact Investments, and continuing access to inspect his funds, property and assets, wherever they may be located.

VII.

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

VIII.

1 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court  
2 shall retain jurisdiction over this action to implement and enforce  
3 the terms of the Final Judgment and other decrees that may be  
4 entered herein and to grant such other relief as the Court may deem  
5 necessary and just.

6 \* \* \* \* \*

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

10  
11 DATED: August 25, 1998 Bruce Fred Washburn  
12 UNITED STATES DISTRICT JUDGE  
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