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CENTRAL DISTRICT OF CALIF.
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**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

STUART H. WOLFF and PETER B.
TAFEEN,

Defendants.

Case No. CV 05-3132 SVW (RZx)

**FINAL JUDGMENT OF
PERMANENT INJUNCTION AND
OTHER RELIEF AGAINST
DEFENDANT PETER B. TAFEEN**

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The Securities and Exchange Commission having filed and served a
Summons and Complaint upon Defendant Peter B. Tafeen ("Tafeen"); and Tafeen
having entered a general appearance; consented to the Court's jurisdiction over
him and the subject matter of this action; consented to entry of this Final Judgment
without admitting or denying the allegations of the Complaint (except as to
jurisdiction); waived findings of fact and conclusions of law; and waived any right
to appeal from this Final Judgment:

I.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
that Tafeen and his agents, servants, employees, attorneys, and all persons in active
concert or participation with them who receive actual notice of this Final

[Handwritten mark]

1 Judgment by personal service or otherwise are permanently restrained and enjoined
2 from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15
3 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or
4 instruments of transportation or communication in interstate commerce or by use
5 of the mails, directly or indirectly:

- 6 (a) to employ any device, scheme, or artifice to defraud;
- 7 (b) to obtain money or property by means of any untrue statement of a
8 material fact or any omission of a material fact necessary in order to make
9 the statements made, in light of the circumstances under which they were
10 made, not misleading; or
- 11 (c) to engage in any transaction, practice, or course of business which
12 operates or would operate as a fraud or deceit upon the purchaser

13 **II.**

14 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Tafeen
15 and his agents, servants, employees, attorneys, and all persons in active concert or
16 participation with them who receive actual notice of this Final Judgment
17 by personal service or otherwise are permanently restrained and enjoined from
18 violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of
19 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
20 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
21 interstate commerce, or of the mails, or of any facility of any national securities
22 exchange, in connection with the purchase or sale of any security:

- 23 (a) to employ any device, scheme, or artifice to defraud;
- 24 (b) to make any untrue statement of a material fact or to omit to state a
25 material fact necessary in order to make the statements made, in the light of
26 the circumstances under which they were made, not misleading; or
- 27 (c) to engage in any act, practice, or course of business which operates or
28 would operate as a fraud or deceit upon any person.

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III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Tafeen and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting an issuer's filing of quarterly reports with the Commission on Forms 10-Q that fail to contain material information necessary to make the required statements in the Forms 10-Q, in light of the circumstances in which they are made, not misleading, in violation of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20 and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20 & 240.13a-13.

IV.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Tafeen and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from knowingly circumventing or knowingly failing to implement a system of internal accounting controls, or by knowingly falsifying any book, record or account required to be kept by an issuer, in violation of Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5).

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Tafeen and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), and violating Rule 13b2-1 thereunder, 17 C.F.R. § 240.13b2-1, thereunder, by knowingly providing substantial assistance to an issuer that failed to

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1 make and keep books, records, and accounts, which, in reasonable detail,
2 accurately and fairly reflect the transactions and disposition of the assets of the
3 issuer.

4 **VI.**

5 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant
6 to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), Tafeen is
7 prohibited from acting as an officer or director of any issuer that has a class of
8 securities registered pursuant to Section 12 of the Exchange Act, 15 U.S.C. § 78l,
9 or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15
10 U.S.C. § 78o(d).

11 **VII.**

12 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
13 that Tafeen is liable for disgorgement of \$2,258,872.00, representing profits gained
14 as a result of the conduct alleged in the Complaint, together with prejudgment
15 interest thereon in the amount of \$420,038.03. Tafeen shall satisfy this obligation
16 by paying \$2,678,910.03, within ten business days to the Clerk of this Court,
17 together with a cover letter identifying Tafeen as a defendant in this action; setting
18 forth the title and civil action number of this action and the name of this Court; and
19 specifying that payment is made pursuant to this Final Judgment. Tafeen shall
20 simultaneously transmit photocopies of such payment and letter to the
21 Commission's counsel in this action. By making this payment, Tafeen relinquishes
22 all legal and equitable right, title, and interest in such funds, and no part of the
23 funds shall be returned to Tafeen. Tafeen shall pay post-judgment interest on any
24 delinquent amounts pursuant to 28 U.S.C. § 1961.

25 The Clerk shall deposit the funds into an interest bearing account. These
26 funds, together with any interest and income earned thereon (collectively, the
27 "Fund"), shall be held in the interest bearing account until further order of the
28 Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director

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1 of the Administrative Office of the United States Courts, the Clerk is directed,
2 without further order of this Court, to deduct from the income earned on the money
3 in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee
4 shall not exceed that authorized by the Judicial Conference of the United States.

5 The Commission may by motion propose a plan to distribute the Fund
6 subject to the Court's approval. Such a plan may provide that the Fund shall be
7 distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-
8 Oxley Act of 2002.

9 **VIII.**

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the
11 Consent is incorporated herein with the same force and effect as if fully set forth
12 herein, and that Tafeen shall comply with all of the undertakings and agreements
13 set forth therein.


14 **IX.**

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this
16 Court shall retain jurisdiction of this matter for the purposes of enforcing the terms
17 of this Final Judgment.

18 **X.**

19 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
20 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
21 forthwith and without further notice.

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23 Dated: Nov 7, 2006

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25 _____
26 HONORABLE STEPHEN V. WILSON
27 UNITED STATES DISTRICT JUDGE
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I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On November 3, 2006, I served the document entitled **FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT PETER B. TAFEEN** upon the parties to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this firm's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee.

FEDERAL EXPRESS BY AGREEMENT OF ALL PARTIES: By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

FAX: By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

(Federal) I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made. I declare under penalty of perjury that the foregoing is true and correct.

Date: November 3, 2006

Magnolia M. Marcelo
MAGNOLIA M. MARCELO

1 **SEC v. STUART H. WOLFF, et al.**
2 **United States District Court - Central District of California**
3 **Case No. CV 05-3132 SVW (RZx)**
4 **(LA-2554)**

5 SERVICE LIST

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28