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case closed

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

CURTIS PETERSON, ERIC MAHER,
RONALD WHITE, and EXPRESS
INTERNATIONAL, LLC,

Defendants,

and

CURTIS INTERNATIONAL EXPRESS,
INC. and ANN SCOTT,

Relief Defendants.

Case No. CV 11-01143 ODW (JEMx)

**[PROPOSED] FINAL
JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST
DEFENDANTS CURTIS
PETERSON AND EXPRESS
INTERNATIONAL, LLC AND
RELIEF DEFENDANTS CURTIS
INTERNATIONAL EXPRESS,
INC. AND ANN SCOTT**

1 Plaintiff Securities and Exchange Commission's ("Commission") filed an
2 Application for Default Judgments ("Application") Against Defendants Curtis
3 Peterson ("Peterson") and Express International, LLC ("Express International")
4 (collectively, "Defendants") and Relief Defendants Curtis International Express,
5 Inc. ("Curtis International Express") and Ann Scott ("Scott") (collectively, "Relief
6 Defendants"). The Court, having considered the Commission's Application, the
7 Memorandum of Points and Authorities filed in support thereof, the declarations,
8 and all other documents filed in support of the Application, and all other evidence
9 and argument presented regarding the Application, finds that:

10 **I.**

11 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the
12 Commission's Application for Default Judgments Against Defendants Peterson
13 and Express International and Relief Defendants Curtis International Express and
14 Scott is hereby GRANTED.

15 **II.**

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

25 (a) to employ any device, scheme, or artifice to defraud;

26 (b) to make any untrue statement of a material fact or to omit to state a
27 material fact necessary in order to make the statements made, in the
28 light of the circumstances under which they were made, not

1 interstate commerce or of the mails to sell such security through the
2 use or medium of any prospectus or otherwise;

3 (b) Unless a registration statement is in effect as to a security, carrying or
4 causing to be carried through the mails or in interstate commerce, by
5 any means or instruments of transportation, any such security for the
6 purpose of sale or for delivery after sale; or

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

15 V.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
17 Defendants Peterson and Express International shall be jointly and severally liable
18 for disgorgement of \$3,274,975, representing proceeds gained as a result of the
19 conduct alleged in the Complaint, together with prejudgment interest thereon in the
20 amount of \$21,186, for a total of \$3,296,161. Peterson and Express International
21 shall receive a credit for any sums paid by each other or by Curtis International
22 Express or Scott on their disgorgement and/or prejudgment interest obligations.
23 Defendants shall satisfy this obligation by paying \$3,296,161 within 14 days after
24 entry of this Final Judgment to the Clerk of this Court, together with a cover letter
25 identifying Peterson and Express International as defendants in this action; setting
26 forth the title and civil action number of this action and the name of this Court; and
27 specifying that payment is made pursuant to this Final Judgment. Defendants shall
28 simultaneously transmit photocopies of such payment and letter to the

1 Commission's counsel in this action. By making this payment, Defendants
2 relinquish all legal and equitable right, title, and interest in such funds, and no part
3 of the funds shall be returned to Defendants. The Clerk shall deposit the funds into
4 an interest-bearing account with the Court Registry Investment System or any
5 other type of interest-bearing account that is utilized by the Court. These funds,
6 together with any interest and income earned thereon (collectively, the "Fund"),
7 shall be held in the interest-bearing account until further order of the Court. In
8 accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the
9 Administrative Office of the United States Courts, the Clerk is directed, without
10 further order of this Court, to deduct from the income earned on the money in the
11 Fund a fee equal to ten percent of the income generated on the Fund. Such fee
12 shall not exceed that authorized by the Judicial Conference of the United States.
13 The Commission may propose a plan to distribute the Fund subject to the Court's
14 approval. Peterson and Express International shall pay post-judgment interest on
15 any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission may
16 enforce the Final Judgment by moving for civil contempt (and/or through other
17 collection procedures authorized by law) at any time after 14 days following entry
18 of this Final Judgment. In response to any such civil contempt motion, the
19 Defendants may assert any legally permissible defense.

20 **VI.**

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Peterson
22 shall pay a civil penalty in the amount of \$150,000 pursuant to Section 20(d) of the
23 Securities Act and Section 21(d)(3) of the Exchange Act. Peterson shall make this
24 payment within 14 days after entry of this Final Judgment by certified check, bank
25 cashier's check, or United States postal money order payable to the Securities and
26 Exchange Commission. The payment shall be delivered or mailed to the Office of
27 Financial Management, Securities and Exchange Commission, Operations Center,
28 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be

1 accompanied by a letter identifying Peterson as a defendant in this action; setting
2 forth the title and civil action number of this action and the name of this Court; and
3 specifying that payment is made pursuant to this Final Judgment. Peterson shall
4 pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. §
5 1961. The Commission shall remit the funds paid pursuant to this paragraph to the
6 United States Treasury.

7 **VII.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief
9 Defendant Curtis International Express shall be liable for disgorgement of \$721,300,
10 representing proceeds gained as a result of the conduct alleged in the Complaint,
11 together with prejudgment interest thereon in the amount of \$4,666, for a total of
12 \$725,966. Curtis International Express shall satisfy this obligation by paying
13 \$725,966 within 14 days after entry of this Final Judgment to the Clerk of this Court,
14 together with a cover letter identifying Curtis International Express as a relief
15 defendant in this action; setting forth the title and civil action number of this action
16 and the name of this Court; and specifying that payment is made pursuant to this Final
17 Judgment. Curtis International Express shall simultaneously transmit photocopies of
18 such payment and letter to the Commission's counsel in this action. By making this
19 payment, Curtis International Express relinquishes all legal and equitable right, title,
20 and interest in such funds, and no part of the funds shall be returned to it. The Clerk
21 shall deposit the funds into an interest-bearing account with the Court Registry
22 Investment System or any other type of interest-bearing account that is utilized by the
23 Court. These funds, together with any interest and income earned thereon
24 (collectively, the "Fund"), shall be held in the interest-bearing account until further
25 order of the Court. In accordance with 28 U.S.C.
26 § 1914 and the guidelines set by the Director of the Administrative Office of the
27 United States Courts, the Clerk is directed, without further order of this Court, to
28 deduct from the income earned on the money in the Fund a fee equal to ten percent of

1 the income generated on the Fund. Such fee shall not exceed that authorized by the
2 Judicial Conference of the United States. The Commission may propose a plan to
3 distribute the Fund subject to the Court's approval. Curtis International Express shall
4 pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.
5 The Commission may enforce the Final Judgment by moving for civil contempt
6 (and/or through other collection procedures authorized by law) at any time after 14
7 days following entry of this Final Judgment. In response to any such civil contempt
8 motion, Curtis International Express may assert any legally permissible defense.

9 **VIII.**

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief
11 Defendant Ann Scott shall be liable for disgorgement of \$45,000, representing
12 proceeds gained as a result of the conduct alleged in the Complaint, together with
13 prejudgment interest thereon in the amount of \$291, for a total of \$45,291. Scott
14 shall satisfy this obligation by paying \$45,291 within 14 days after entry of this
15 Final Judgment to the Clerk of this Court, together with a cover letter identifying
16 Scott as a relief defendant in this action; setting forth the title and civil action
17 number of this action and the name of this Court; and specifying that payment is
18 made pursuant to this Final Judgment. Scott shall simultaneously transmit
19 photocopies of such payment and letter to the Commission's counsel in this action.
20 By making this payment, Scott relinquishes all legal and equitable right, title, and
21 interest in such funds, and no part of the funds shall be returned to her. The Clerk
22 shall deposit the funds into an interest-bearing account with the Court Registry
23 Investment System or any other type of interest-bearing account that is utilized by
24 the Court. These funds, together with any interest and income earned thereon
25 (collectively, the "Fund"), shall be held in the interest-bearing account until further
26 order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by
27 the Director of the Administrative Office of the United States Courts, the Clerk is
28 directed, without further order of this Court, to deduct from the income earned on

1 the money in the Fund a fee equal to ten percent of the income generated on the
2 Fund. Such fee shall not exceed that authorized by the Judicial Conference of the
3 United States. The Commission may propose a plan to distribute the Fund subject
4 to the Court's approval. Scott shall pay post-judgment interest on any delinquent
5 amounts pursuant to 28 U.S.C. § 1961. The Commission may enforce the Final
6 Judgment by moving for civil contempt (and/or through other collection
7 procedures authorized by law) at any time after 14 days following entry of this
8 Final Judgment. In response to any such civil contempt motion, Scott may assert
9 any legally permissible defense.

10 **IX.**

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

14 **X.**

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

18
19 Dated: 1/25/12



20 HONORABLE OTIS D. WRIGHT II
21 UNITED STATES DISTRICT JUDGE

22 Presented by:

23
24 /s/ Peter F. Del Greco
25 Peter F. Del Greco
26 Attorney for Plaintiff
27 Securities and Exchange Commission
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