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8                   **UNITED STATES DISTRICT COURT**  
9                   **FOR THE CENTRAL DISTRICT OF CALIFORNIA**  
10                   **SOUTHERN DIVISION**

11 SECURITIES AND EXCHANGE  
12 COMMISSION,

13                   Plaintiff,

14                   v.

15 LAMBERT VANDER TUIG, et  
16 al.,

17                   Defendants.  
18

Case No.:

**SACV06-172 AHS (MLGx)**

**FINAL JUDGMENT OF PERMANENT  
INJUNCTION AND OTHER RELIEF  
AGAINST THE CAROLINA  
DEVELOPMEN COMPANY, INC.**

19  
20                   The Securities and Exchange Commission (the  
21 "Commission") filed a Complaint (Docket # 1) against  
22 The Carolina Development Company, Inc. ("Carolina" or  
23 "Defendant") and others on or about February 16, 2006.  
24 The Court appointed Thomas A. Seaman as Receiver of  
25 Carolina on or about February 16, 2006 (Docket # 13).  
26 The Commission requests this Court to enter a Final  
27 Judgment against Carolina. Based on the foregoing, the  
28 Court rules as follows:

1 I.

2 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that  
3 Defendant and Defendant's agents, servants, employees,  
4 attorneys, and all persons in active concert or  
5 participation with them who receive actual notice of  
6 this Final Judgment by personal service or otherwise  
7 are permanently restrained and enjoined from violating,  
8 directly or indirectly, Section 10(b) of the Securities  
9 Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. §  
10 78j(b)] and Rule 10b-5 promulgated thereunder  
11 [17 C.F.R. § 240.10b-5], by using any means or  
12 instrumentality of interstate commerce, or of the  
13 mails, or of any facility of any national securities  
14 exchange, in connection with the purchase or sale of  
15 any security:

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

18 (b) to make any untrue statement of a material fact  
19 or to omit to state a material fact necessary in  
20 order to make the statements made, in the light of  
21 the circumstances under which they were made, not  
22 misleading; or

23 (c) to engage in any act, practice, or course of  
24 business which operates or would operate as a fraud  
25 or deceit upon any person.

26 II.

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED  
28 that Defendant and Defendant's agents, servants,

1 employees, attorneys, and all persons in active concert  
2 or participation with them who receive actual notice of  
3 this Final Judgment by personal service or otherwise  
4 are permanently restrained and enjoined from violating  
5 Section 17(a) of the Securities Act [15 U.S.C. §  
6 77q(a)] in the offer or sale of any security by the use  
7 of any means or instruments of transportation or  
8 communication in interstate commerce or by use of the  
9 mails, directly or indirectly:

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

12 (b) to obtain money or property by means of any  
13 untrue statement of a material fact or any omission  
14 of a material fact necessary in order to make the  
15 statements made, in light of the circumstances  
16 under which they were made, not misleading; or

17 (c) to engage in any transaction, practice, or  
18 course of business which operates or would operate  
19 as a fraud or deceit upon the purchaser.

20 III.

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
22 Defendant, and Defendant's agents, servants, employees,  
23 attorneys and all persons in active concert or  
24 participation with them who receive actual notice of  
25 this Final Judgment by personal service or otherwise  
26 are permanently restrained and enjoined from violating  
27 Sections 5(a) and 5(c) of the Securities Act [15 U.S.C.  
28 § 77e (a) and (c)] by, directly or indirectly, in the

1 absence of any applicable exemption:

2 (a) Unless a registration statement is in  
3 effect as to a security, making use of the means  
4 or instruments of transportation or communication  
5 in interstate commerce or of the mails to sell  
6 such security through the use or medium of any  
7 prospectus or otherwise;

8 (b) Unless a registration statement is in  
9 effect as to a security, carrying or causing to be  
10 carried through the mails or in interstate  
11 commerce, by any means or instruments of  
12 transportation, any such security for the purpose  
13 of sale or for delivery after sale; or

14 (c) Making use of any means or instruments of  
15 transportation or communication in interstate  
16 commerce or of the mails to offer to sell or offer  
17 to buy through the use or medium of any prospectus  
18 or otherwise any security, unless a registration  
19 statement has been filed with the Commission as to  
20 such security, or while the registration statement  
21 is the subject of a refusal order or stop order or  
22 (prior to the effective date of the registration  
23 statement) any public proceeding or examination  
24 under Section 8 of the Securities Act [15 U.S.C. §  
25 77h).

26 IV.

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND  
28 DECREED that Defendant is liable for disgorgement of

1 \$52,622,339.99 in ill-gotten gains as a result of the  
2 conduct alleged in the Complaint, together with pre-  
3 judgment interest thereon in the amount of  
4 \$4,256,764.01, for a total amount of \$56,879,104.00.  
5 The court-appointed Receiver shall, pursuant to order  
6 of this Court, liquidate and convert into money all  
7 assets belonging to Defendant. To facilitate the  
8 Receiver's identification, marshaling and liquidation  
9 of assets of the Defendant, the Order freezing assets  
10 and prohibiting destruction of documents (Docket # 12)  
11 and all extensions and amendments of that Order,  
12 imposed pursuant to stipulation, Court order or  
13 otherwise, shall remain effective until further order  
14 of the Court. Any disgorgement and/or prejudgment  
15 interest not collected at the conclusion of the  
16 Receivership shall be waived, upon submission of the  
17 final accounting prepared by the Receiver and approval  
18 thereof by this Court.

19 V.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
21 the Consent is incorporated herein with the same force  
22 and effect as if fully set forth herein, and that  
23 Defendant shall comply with all of the undertakings and  
24 agreements set forth therein.

25 VI.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
27 this Court shall retain jurisdiction of this matter for  
28 the purposes of enforcing the terms of this Final

1 Judgment.

2 VII.

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

7 Dated: March 4, 2011.

8  
9 **ALICEMARIE H. STOTLER**

10 Alicemarie H. Stotler  
11 United States District Judge  
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