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13 UNITED STATES DISTRICT COURT
14 CENTRAL DISTRICT OF CALIFORNIA

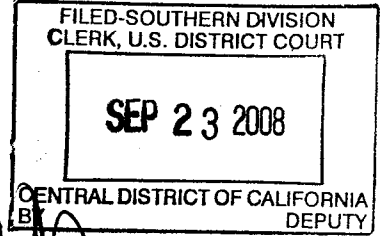
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16 SECURITIES AND EXCHANGE
17 COMMISSION,

18 Plaintiff,

19 v.

20
21 GLOBAL MATERIALS & SERVICES,
22 INC., et al.,

23 Defendants.
24



SAC V08-881 DOC (RNBx)

Case No. _____

FINAL JUDGMENT AS TO
DEFENDANT GLOBAL
MATERIALS & SERVICES,
INC.

LOGGED

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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY [Signature]

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendant Global Materials & Services, Inc. having entered a general appearance;
3 consented to the Court's jurisdiction over Defendant and the subject matter of this
4 action; consented to entry of this Final Judgment without admitting or denying the
5 allegations of the Complaint (except as to jurisdiction); waived findings of fact and
6 conclusions of law; and waived any right to appeal from this Final Judgment:
7

8 I.

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

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

26 II.

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

1 persons in active concert or participation with them who receive actual notice of
2 this Final Judgment by personal service or otherwise are permanently restrained
3 and enjoined from violating Section 17(a) of the Securities Act of 1933 (the
4 “Securities Act”) [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use
5 of any means or instruments of transportation or communication in interstate
6 commerce or by use of the mails, directly or indirectly:

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

14
15 III.

16 IT IS FURTHER HEREBY ORDERED, ADJUDGED, AND DECREED
17 that Defendant and Defendant's agents, servants, employees, attorneys, and all
18 persons in active concert or participation with them who receive actual notice of
19 this Final Judgment by personal service or otherwise are permanently restrained
20 and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by,
21 directly or indirectly, in the absence of any applicable exemption:

- 22 (a) Unless a registration statement is in effect as to a security, making use
23 of any means or instruments of transportation or communication in
24 interstate commerce or of the mails to sell such security through the
25 use or medium of any prospectus or otherwise;
- 26 (b) Unless a registration statement is in effect as to a security, carrying or
27 causing to be carried through the mails or in interstate commerce, by
28

1 any means or instruments of transportation, any such security for the
2 purpose of sale or for delivery after sale; or

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

12 IV.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
14 that Defendant is liable for disgorgement of \$11,236,025, representing profits
15 gained as a result of the conduct alleged in the Complaint, together with
16 prejudgment interest thereon in the amount of \$3,118,247, for a total of
17 \$14,354,272. Based on Defendant's sworn representations in its Statement of
18 Financial Condition dated January 14, 2008, and other documents and information
19 submitted to the Commission, however, the Court is not ordering Defendant to pay
20 a civil penalty and payment of all disgorgement and pre-judgment interest thereon
21 is waived. The determination not to impose a civil penalty and to waive payment
22 of all disgorgement and pre-judgment interest is contingent upon the accuracy and
23 completeness of Defendant's Statement of Financial Condition. If at any time
24 following the entry of this Final Judgment the Commission obtains information
25 indicating that Defendant's representations to the Commission concerning its
26 assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or
27 incomplete in any material respect as of the time such representations were made,
28 the Commission may, at its sole discretion and without prior notice to Defendant,

1 petition the Court for an order requiring Defendant to pay the unpaid portion of the
2 disgorgement, pre-judgment and post-judgment interest thereon, and the maximum
3 civil penalty allowable under the law. In connection with any such petition, the
4 only issue shall be whether the financial information provided by Defendant was
5 fraudulent, misleading, inaccurate, or incomplete in any material respect as of the
6 time such representations were made. In its petition, the Commission may move
7 this Court to consider all available remedies, including, but not limited to, ordering
8 Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions
9 for contempt of this Final Judgment. The Commission may also request additional
10 discovery. Defendant may not, by way of defense to such petition: (1) challenge
11 the validity of the Consent or this Final Judgment; (2) contest the allegations in the
12 Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-
13 judgment and post-judgment interest or a civil penalty should not be ordered; (4)
14 contest the amount of disgorgement and pre-judgment and post-judgment interest;
15 (5) contest the imposition of the maximum civil penalty allowable under the law;
16 or (6) assert any defense to liability or remedy, including, but not limited to, any
17 statute of limitations defense.

18
19 V.

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

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25 VI.

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

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VII.

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

Dated: September 23, 2008

Mauro A. Carter

UNITED STATES DISTRICT JUDGE