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 10 **UNITED STATES DISTRICT COURT**  
 11 **CENTRAL DISTRICT OF CALIFORNIA**  
 12 **SOUTHERN DIVISION**

13 SECURITIES AND EXCHANGE  
 14 COMMISSION,

Plaintiff,

vs.

16 JERRY L. AUBREY, TIMOTHY J.  
 17 AUBREY, BRIAN S. CHERRY,  
 18 AARON M. GLASSER,

Defendants.

Case No. SACV 11-1564 JVS (RNBx)

**FINAL JUDGMENT OF PERMANENT  
 INJUNCTION AND OTHER RELIEF  
 AGAINST DEFENDANT TIMOTHY J.  
 AUBREY**

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1 The Securities and Exchange Commission having filed a Complaint and  
2 Defendant, Timothy J. Aubrey, having filed an answer to the Complaint; consented  
3 to the Court's jurisdiction over Defendant and the subject matter of this action;  
4 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 **I.**

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

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

24 **II.**

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

1 violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”), 15  
2 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or  
3 instruments of transportation or communication in interstate commerce or by use  
4 of the mails, directly or indirectly:

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

### 12 III.

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

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

1 or offer to buy through the use or medium of any prospectus or  
2 otherwise any security, unless a registration statement has been filed  
3 with the Commission as to such security, or while the registration  
4 statement is the subject of a refusal order or stop order or (prior to the  
5 effective date of the registration statement) any public proceeding or  
6 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

7 **IV.**

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Aubrey  
9 and his agents, servants, employees, attorneys, and all persons in active concert or  
10 participation with them who receive actual notice of this Final Judgment by  
11 personal service or otherwise are permanently restrained and enjoined from  
12 violating, directly or indirectly, Section 15(a) of the Exchange Act, 15 U.S.C. §  
13 78o(a), which makes it unlawful for any broker or dealer which is either a person  
14 other than a natural person or a natural person, to make use of the mails or any  
15 means or instrumentality of interstate commerce to effect any transactions in, or to  
16 induce or attempt to induce the purchase or sale of, any security (other than an  
17 exempted security or commercial paper, bankers' acceptances, or commercial bills)  
18 unless such broker or dealer is registered in accordance with subsection (b) of  
19 Section 15 of the Exchange Act, 15 U.S.C. § 78o(b).

20 **V.**

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Aubrey  
22 is liable for disgorgement of \$556,215, representing profits gained as a result of the  
23 conduct alleged in the Complaint, together with prejudgment interest thereon in the  
24 amount of \$224,513.47. Aubrey shall also be liable to pay a civil penalty in the  
25 amount of \$130,000 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §  
26 77t(d), and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3). Aubrey  
27 shall satisfy these obligations by paying a total of \$910,728.47 within fourteen  
28 days after entry of this Final Judgment.

1 Aubrey may transmit payment electronically to the Commission, which will  
2 provide detailed ACH transfer/Fedwire instructions upon request. Payment may  
3 also be made directly from a bank account or by credit or debit card via Pay.gov  
4 through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Aubrey  
5 may also pay by certified check, bank cashier's check, or United States postal  
6 money order payable to the Securities and Exchange Commission, which shall be  
7 delivered or mailed to:

8 Enterprise Services Center  
9 Accounts Receivable Branch  
10 6500 South MacArthur Boulevard  
11 Oklahoma City, OK 73169

12 and shall be accompanied by a letter identifying the case title, civil action number,  
13 and name of this Court; Aubrey as a defendant in this action; and specifying that  
14 payment is made pursuant to this Final Judgment.

15 Aubrey shall simultaneously transmit photocopies of evidence of payment  
16 and case identifying information to the Commission's counsel in this action. By  
17 making this payment, Aubrey relinquishes all legal and equitable right, title, and  
18 interest in such funds and no part of the funds shall be returned to Aubrey. The  
19 Commission shall send the funds paid pursuant to this Final Judgment to the  
20 United States Treasury.

21 The Commission may enforce the Court's judgment for disgorgement and  
22 prejudgment interest by moving for civil contempt (and/or through other collection  
23 procedures authorized by law) at any time after 14 days following entry of this  
24 Final Judgment. Aubrey shall pay post judgment interest on any delinquent  
25 amounts pursuant to 28 U.S.C. § 1961.

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1 **VI.**

2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the  
3 Consent is incorporated herein with the same force and effect as if fully set forth  
4 herein, and that Aubrey shall comply with all of the undertakings and agreements  
5 set forth therein.

6 **VII.**

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

10 **VIII.**

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

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15 Dated: August 06, 2012



16 HONORABLE JAMES V. SELNA  
17 UNITED STATES DISTRICT JUDGE  
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