

1 KAREN MATTESON, Cal. Bar No. 102103  
Email: mattesonk@sec.gov

2 Attorney for Plaintiff  
3 Securities and Exchange Commission  
Rosalind R. Tyson, Regional Director  
4 Andrew G. Petillon, Associate Regional Director  
John M. McCoy III, Regional Trial Counsel  
5 5670 Wilshire Boulevard, 11th Floor  
Los Angeles, California 90036  
6 Telephone: (323) 965-3840  
Facsimile: (323) 965-3908

7  
8 **UNITED STATES DISTRICT COURT**  
9 **CENTRAL DISTRICT OF CALIFORNIA**  
10 **SOUTHERN DIVISION**

11  
12 SECURITIES AND EXCHANGE  
COMMISSION,

13 Plaintiff,

14 vs.

15 SAFEVEST, LLC; JON G. ERVIN; and  
16 JOHN V. SLYE;

17 Defendants.

Case No. SACV08-00473 JVS (MLGx)

**FINAL JUDGMENT OF  
PERMANENT INJUNCTION AND  
OTHER RELIEF BY DEFAULT**

18  
19 This matter came on for hearing on the Motion by Plaintiff Securities and  
20 Exchange Commission (“Commission”) for Entry of a Default Judgment against  
21 Defendant Jon G. Ervin (“Ervin”), made pursuant to Fed. R. Civ. P. 55(b)(2). The  
22 Commission filed its motion following entry by the Clerk on June 3, 2008, of a  
23 Default against Ervin pursuant to Fed. R. Civ. P. 55(a), based on his failure to  
24 plead or otherwise defend this action. Although served with the Commission’s  
25 motion papers, Ervin has not opposed or otherwise responded to the motion.

26 Accordingly:

27 **I.**

28 IT IS HEREBY ORDERED that the Motion By Plaintiff Securities And

1 Exchange Commission For Entry Of Default Judgment Against Defendant Jon G.  
2 Ervin GRANTED.

3 **II.**

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
5 defendant Ervin and his agents, servants, employees, and attorneys, and those  
6 persons in active concert or participation with any of them, who receive actual  
7 notice of this Final Judgment, by personal service or otherwise, and each of them,  
8 be and hereby are permanently restrained and enjoined from, directly or indirectly,  
9 in the offer or sale of any securities, by the use of any means or instruments of  
10 transportation or communication in interstate commerce or by use of the mails:

11 A. employing any device, scheme or artifice to defraud;

12 B. obtaining money or property by means of any untrue statement of a  
13 material fact or any omission to state a material fact necessary in order  
14 to make the statements made, in light of the circumstances under  
15 which they were made, not misleading; or

16 C. engaging in any transaction, practice, or course of business which  
17 operates or would operate as a fraud or deceit upon the purchaser;

18 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

19 **III.**

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
21 defendant Ervin and his agents, servants, employees, and attorneys, and those  
22 persons in active concert or participation with any of them, who receive actual  
23 notice of this Final Judgment, by personal service or otherwise, and each of them,  
24 be and hereby are permanently restrained and enjoined from, directly or indirectly,  
25 in connection with the purchase or sale of any security, by the use of any means or  
26 instrumentality of interstate commerce, or of the mails, or of any facility of any  
27 national securities exchange:

28 A. employing any device, scheme or artifice to defraud;

1 B. making any untrue statement of a material fact or omitting to state a  
2 material fact necessary in order to make the statements made, in the  
3 light of the circumstances under which they were made, not  
4 misleading; or

5 C. engaging in any act, practice, or course of business which operates or  
6 would operate as a fraud or deceit upon any person;

7 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule  
8 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

9 **IV.**

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
11 defendant Ervin is liable for disgorgement of \$439,435.00, representing profits  
12 gained as a result of the conduct alleged in the Complaint, together with  
13 prejudgment interest thereon in the amount of \$2,942.41, for a total of  
14 \$442,377.41. Defendant shall satisfy this obligation by paying \$442,377.41 within  
15 ten (10) business days after entry of this Final Judgment by certified check, bank  
16 cashier's check, or United States postal money order payable to Thomas A.  
17 Seaman, the Court-appointed Receiver in this action. The payment shall be  
18 delivered or mailed to Mr. Seaman at 2 Park Plaza, Suite 480, Irvine, CA 92614-  
19 3512. Defendant shall pay post-judgment interest on any delinquent amounts  
20 pursuant to 28 U.S.C. § 1961.

21 **V.**

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that  
23 defendant Ervin shall pay a civil penalty in the amount of \$130,000.00 pursuant to  
24 Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the  
25 Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall satisfy this obligation by  
26 paying \$130,000.00 within ten (10) business days after entry of this Final  
27 Judgment by certified check, bank cashier's check, or United States postal money  
28 order payable to the Securities and Exchange Commission. The payment shall be

1 delivered or mailed to the Office of Financial Management, Securities and  
2 Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-  
3 3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying  
4 Ervin as the defendant in this action; setting forth the title and civil action number  
5 of this action and the name of this Court; and specifying that payment is made  
6 pursuant to this Final Judgment. The Commission shall remit the funds paid  
7 pursuant to this paragraph to the United States Treasury.

8 **VI.**

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that  
10 paragraphs IV. through XIV. of the Preliminary Injunction, which impose an asset  
11 freeze and which govern the conduct of the receivership in this action, shall remain  
12 in full force and effect until further order of this Court.

13 **VII.**

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court  
15 shall retain jurisdiction over this action for the purpose of implementing and  
16 carrying out the terms of this Final Judgment and all orders and decrees which may  
17 be entered herein and to entertain any suitable application or motion for additional  
18 relief within the jurisdiction of this Court.

19 **VIII.**

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, there  
21 being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to  
22 Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment  
23 forthwith.

24 Dated: September 19, 2008



26 HONORABLE JAMES V. SELNA  
27 UNITED STATES DISTRICT JUDGE  
28

**PROOF OF SERVICE**

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 August 15, 2008, I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF BY DEFAULT** on all 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 agency'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 as stated on the attached service list.

**FEDERAL EXPRESS:** 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: August 15, 2008

/s/ Karen Matteson  
Karen Matteson

1                                    **SEC v. SAFEVEST, LLC, et al.**  
2                                    **United States District Court – Central District of California**  
3                                    **Case No. SACV08-00473 JVS (MLGx)**  
4                                    **(LA-3454)**

5                                    SERVICE LIST

6                                    **Ervin, Jon G. (by U.S. mail only)**  
7                                    Booking Number 0800004063  
8                                    c/o Santa Ana Jail, M-88  
9                                    P.O. Box 22003  
10                                    Santa Ana, CA 92701

11                                    **John V. Slye (by electronic and U.S. mail)**  
12                                    4222 Fortuna Center Plaza, #655  
13                                    Dumfries, VA 22025  
14                                    Email: [jvsjmgf@gmail.com](mailto:jvsjmgf@gmail.com)

15                                    **Thomas A. Seaman, CFA (by electronic and U.S. mail)**  
16                                    Thomas Seaman Company  
17                                    2 Park Plaza, Suite 480  
18                                    Irvine, CA 92614-3512  
19                                    Telephone: (949) 222-0551  
20                                    Facsimile: (949) 222-0661  
21                                    Email: [tom@thomasseaman.com](mailto:tom@thomasseaman.com)  
22                                    ***Court-Appointed Receiver for Defendant Safevest, LLC***

23                                    **David R. Zaro, Esq. (by electronic and U.S. mail)**  
24                                    Frank Scollan, Esq.  
25                                    Allen Matkins Leck Gamble Mallory & Natsis LLP  
26                                    515 S. Figueroa Street, 9<sup>th</sup> Floor  
27                                    Los Angeles, CA 90071-3398  
28                                    Telephone: (213) 622-5555  
                                     Facsimile: (213) 620-8816  
                                     Email: [dzaro@allenmatkins.com](mailto:dzaro@allenmatkins.com)  
                                     Email: [fscollan@allenmatkins.com](mailto:fscollan@allenmatkins.com)  
                                     ***Attorneys for Court-Appointed Receiver Thomas A. Seaman***