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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

EARTHLY MINERAL SOLUTIONS, INC.,
NATURAL MINERALS PROCESSING
COMPANY, ROY D. HIGGS, FRANK L.
SCHWARTZ, and RICK LAWTON,

Defendants.

Case No. 2:07-CV-01057-JCM-(LRL)

JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF

AS TO DEFENDANT RICK LAWTON

1 The Securities and Exchange Commission having filed a Complaint and First Amended
2 Complaint, and Defendant Rick Lawton (“Defendant”) having entered a general appearance;
3 consented to the Court’s jurisdiction over Defendant and the subject matter of this action;
4 consented to entry of this Judgment of Permanent Injunction and Other Relief without admitting
5 or denying the allegations of the Complaint and First Amended Complaint (except as to
6 jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal
7 from this Judgment:

8 **I.**

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and
10 Defendant’s agents, servants, employees, attorneys, and all persons in active concert or
11 participation with them who receive actual notice of this Judgment by personal service or
12 otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities
13 Act of 1933 (the “Securities Act”), 15 U.S.C. § 77q(a), in the offer or sale of any security by the
14 use of any means or instruments of transportation or communication in interstate commerce or
15 by use of the mails, directly or indirectly:

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

23 **II.**

24 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
25 and Defendant’s agents, servants, employees, attorneys, and all persons in active concert or
26 participation with them who receive actual notice of this Judgment by personal service or
27 otherwise, are permanently restrained and enjoined from violating, directly or indirectly, Section
28 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and

1 Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any means or
2 instrumentality of interstate commerce, or of the mails, or of any facility of any national
3 securities exchange, in connection with the purchase or sale of any security:

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

10 **III.**

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

- 16 (a) Unless a registration statement is in effect as to a security, making use of any
17 means or instruments of transportation or communication in interstate commerce
18 or of the mails to sell such security through the use or medium of any prospectus
19 or otherwise;
- 20 (b) Unless a registration statement is in effect as to a security, carrying or causing to
21 be carried through the mails or in interstate commerce, by any means or
22 instruments of transportation, any such security for the purpose of sale or for
23 delivery after sale; or
- 24 (c) Making use of any means or instruments of transportation or communication in
25 interstate commerce or of the mails to offer to sell or offer to buy through the use
26 or medium of any prospectus or otherwise any security, unless a registration
27 statement has been filed with the Commission as to such security, or while the
28 registration statement is the subject of a refusal order or stop order or (prior to the

1 effective date of the registration statement) any public proceeding or examination
2 under Section 8 of the Securities Act, 15 U.S.C. § 77h.

3 **IV.**

4 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
5 and Defendant's agents, servants, employees, attorneys, and all persons in active concert or
6 participation with them who receive actual notice of this Judgment by personal service or
7 otherwise are permanently restrained and enjoined from violating Section 15(a) of the Exchange
8 Act, 15 U.S.C. § 78o(a), by making use of the mails or any means or instrumentality of interstate
9 commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of,
10 any security (other than an exempted security or commercial paper, bankers acceptances, or
11 commercial bills), without registering with the Commission as a broker or dealer.

12 **V.**

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
14 shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty
15 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the
16 Exchange Act, 15 U.S.C. § 78u(d)(3). The Court shall determine the amounts of the
17 disgorgement and civil penalty upon motion of the Commission. Prejudgment interest shall be
18 calculated based on the rate of interest used by the Internal Revenue Service for the
19 underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with
20 the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on
21 such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal
22 securities laws as alleged in the Complaint and the First Amended Complaint; (b) Defendant may
23 not challenge the validity of the Consent or this Judgment; (c) solely for the purposes of such
24 motion, the allegations of the Complaint and the First Amended Complaint shall be accepted as
25 and deemed true by the Court; and (d) the Court may determine the issues raised in the motion
26 on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony,
27 and documentary evidence, without regard to the standards for summary judgment contained in
28 Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's

1 motion for disgorgement and/or civil penalties, the parties may take discovery, including
2 discovery from appropriate non-parties.

3 **VI.**

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

7 **VII.**

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

10 **VIII.**

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

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14 Dated: March 16, 2011

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17 UNITED STATES DISTRICT JUDGE
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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 January 18, 2011, I served the document entitled

[PROPOSED] JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AS TO DEFENDANT RICK LAWTON

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.

UNITED PARCEL SERVICE: By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS 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.

E-FILING: By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

FAX: By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: January 18, 2011

/s/ Morgan B. Ward Doran
Morgan B. Ward Doran

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SEC v. Earthly Mineral Solutions
United States District Court – District of Nevada
Case No. 02:07-cv- 01057 JCM-LRL

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