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FILED
CLERK, U.S. DISTRICT COURT
FEB 22 2007
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

NOTE CHANGES MADE BY THE COURT.

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ORIGINAL
BUT NOT FILED
NOV 28 2006
CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION
DEPUTY

12 UNITED STATES DISTRICT COURT
13 FOR THE CENTRAL DISTRICT OF CALIFORNIA
14 SOUTHERN DIVISION

LODGED
CLERK, U.S. DISTRICT COURT
NOV 28 2006
CENTRAL DISTRICT OF CALIFORNIA
BY SOUTHERN DIVISION DEPUTY

16 SECURITIES AND EXCHANGE
COMMISSION,
17
18 Plaintiff,
19 vs.
20 LAMBERT VANDER TUIG, et al.
21 Defendants.

Case No.
SACV06-172AHS (ANx)

Order Granting Summary
**PROPOSED JUDGMENT AS
TO DEFENDANT
LAMBERT VANDER TUIG**

Hearing Date: ~~01/06/07~~
Hearing Time: 10:00 a.m.
Judge: Alicemarie H.
Stotler

24 Plaintiff, Securities and Exchange Commission (the
25 "Commission") has made a Motion for Summary Judgment
26 ("the Motion") against Lambert Vander Tuig ("Vander
27

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THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

ENTERED - SOUTHERN DIVISION
CLERK, U.S. DISTRICT COURT
FEB 23 2007
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

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1 Tuig"). The Court has considered the Commission's
2 Memorandum in Support of the Motion, ^{and} the exhibits and
3 declarations filed concurrently therewith ~~together with~~
4 ~~argument of counsel~~. Based upon the foregoing, the
5 Court rules as follows: } XHA

6 I.

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

21 (a) to employ any device, scheme or artifice to
22 defraud;

23 (b) to make any untrue statement of a material fact
24 or to omit to state a material fact necessary in order
25 to make the statement made, in the light of the
26 circumstances under which they were made, not
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1 misleading; or

2 (c) to engage in any act, practice or course of
3 business which operates or would operate as a fraud or
4 deceit on any person.

5 II.

6 IT IS HEREBY FURTHER ORDERED ~~ADJUDGED AND DECREED~~ *W/S*
7 that Defendant and Defendant's agents, servants,
8 employees, attorneys, and all persons in active concert
9 or participation with them who receive actual notice of
10 this ^{Order} ~~Final Judgment~~ by personal service or otherwise *Y/S*
11 are permanently restrained and enjoined from violating,
12 Section 17(a) of the Securities Act of 1933
13 ("Securities Act") [15 U.S.C. § 77q(a)], by using any
14 means or instrumentalities of interstate commerce, or
15 of the mails, directly or indirectly:

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

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

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

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III.

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

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

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

(c) Making use of any means or instruments of
transportation or communication in interstate commerce
or of the mails to offer to sell or offer to buy
through the use or medium of any prospectus or

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

8 IV.

9 IT IS HEREBY FURTHER ORDERED, ~~ADJUDGED AND DECREED~~ *MS*
10 that Defendant and Defendant's agents, servants,
11 employees, attorneys, and all persons in active concert
12 or participation with them who receive actual notice of
13 this ~~Final Judgment~~ *Order* by personal service or otherwise
14 are permanently restrained and enjoined from violating,
15 Section 15 of the Exchange Act [15 U.S.C. § 78o] by,
16 making use of the mails or any means or instrumentality
17 of interstate commerce to effect any transactions in,
18 or to induce or attempt to induce the purchase or sale
19 of, any security unless registered in accordance with
20 Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

21 V.

22 IT IS HEREBY FURTHER ORDERED, ~~ADJUDGED AND DECREED~~ *MS*
23 that Defendant and Defendant's agents, servants,
24 employees, attorneys, and all persons in active concert
25 or participation with them who receive actual notice of
26 this ~~Final Judgment~~ *Order* by personal service or otherwise *MS*

1 are permanently restrained and enjoined from violating,
2 Section 15(b)(6)(B) of the Exchange Act [15 U.S.C. §
3 78o(b)(6)(B)] by, without consent of the Commission,
4 becoming or remaining associated with any broker or
5 dealer in contravention of the Commission Order barring
6 such association.

7 VI.

8 IT IS FURTHER ORDERED ~~ADJUDGED, AND DECREED~~ that *MLG*
9 pursuant to Section 21(d)2 of the Exchange Act [15
10 U.S.C. § 78u(d)(2)], Defendant is prohibited from
11 acting as an officer or director of any issuer that has
12 a class of securities registered pursuant to Section 12
13 of the Exchange Act [15 U.S.C. § 781] or that is
14 required to file reports pursuant to Section 15(d) of
15 the Exchange Act [15 U.S.C. § 78o(d)].

16 VII.

17 IT IS FURTHER ORDERED ~~ADJUDGED AND DECREED~~ that *MLG*
18 Defendant is permanently barred from participating in
19 any offering of penny stock pursuant to Section 20(g)
20 of the Securities Act [15 U.S.C. § 77(g)] and Section
21 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

22 VIII.

23 IT IS FURTHER ORDERED ~~ADJUDGED AND DECREED~~ that *MLG*
24 Defendant is liable for disgorgement of \$29,252,000,
25 representing profits gained as a result of the conduct
26 alleged in Complaint, together with prejudgment
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1 interest thereon ^{as calculated at the time of entry of final judgment.} ~~in the amount of \$1,484,858.69,~~
2 pursuant to Section 20(d) of the Securities Act's ~~for a~~
3 ~~total of \$30,739,858.69.~~ The Commission may enforce
4 the Court's ^{Order} ~~judgment~~ for disgorgement and ~~prejudgment~~
5 ~~interest~~ by moving for civil contempt (and/or through
6 other collection procedures authorized by law) at any
7 time after ten (10) days following entry of this ^{Order.}
8 ~~Judgment.~~ In response to any such civil contempt
9 motion by the Commission, the Defendant may assert any
10 legally permissible defense. Payments under this
11 paragraph shall be made to the Clerk of this Court,
12 together with a cover letter identifying Lambert Vander
13 Tuig as a defendant in this action; setting forth the
14 title and civil action number of this action and the
15 name of this Court; and, specifying that payment is
16 made pursuant to this ^{Order.} ~~Judgment.~~ Defendant shall
17 simultaneously transmit photocopies of each such
18 payment and a letter to the Commission's counsel in
19 this action. Defendant relinquishes all legal and
20 equitable right, title and interest in such payments,
21 and no part of the funds shall be returned to
22 Defendant. The Clerk shall deposit the funds into an
23 interest bearing account with the Court Registry System
24 ("CRIS"). These funds, together with any interest and
25 income earned thereon (collectively, the "Funds"),
26 shall be held by the CRIS until further ordered by this
27 Court.


IX.

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2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
3 Defendant shall pay a third-tier civil monetary penalty
4 in the amount of \$100,000 pursuant to Section 20(b) of
5 the Securities Act and Section 21(c) of the Exchange
6 Act. Payments under this paragraph shall be made to
7 the Clerk of this Court, together with a cover letter
8 identifying Lambert Vander Tuig as a defendant in this
9 action; setting forth the title and civil action number
10 of this action and the name of this Court; and,
11 specifying that payment is made pursuant to this
12 ~~Judgment~~ ^{Order}. Defendant shall simultaneously transmit
13 photocopies of each such payment and a letter to the
14 Commission's counsel in this action. Defendant
15 relinquishes all legal and equitable right, title and
16 interest in such payments, and no part of the funds
17 shall be returned to Defendant. The Clerk shall
18 deposit the funds into an interest bearing account with
19 the Court Registry Investment System ("CRIS"). These
20 funds, together with any interest and income earned
21 thereon (collectively, the "Funds"), shall be held by
22 the CRIS until further order of this Court. In
23 accordance with 28 U.S.C. § 1914 and the guidelines set
24 by the Director of the Administrative Office of the
25 United States Courts, the Clerk is directed, without
26 further order of this Court, to deduct from the income
27 earned on the money in the Fund a fee equal to ten

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1 percent (10%) of the income earned on the Fund. Such
2 fee shall not exceed that authorized by the Judicial
3 Conference of the United States.

4 The Commission shall by motion propose a plan to
5 distribute the Fund subject to the Court's approval.
6 Such a plan may provide that Funds shall be distributed
7 to the Fair Funds provisions of Section 308(a) of the
8 Sarbanes-Oxley Act of 2002. Regardless of whether any
9 such Fair Fund distribution is made, amounts ordered to
10 be paid as civil penalties pursuant to this ^{Order}~~Judgment~~ 
11 shall be treated as penalties paid to the government
12 for all purposes, including all tax purposes. To
13 preserve the deterrent effect of the civil penalty,
14 Defendant shall not, after offset or reduction of any
15 award of compensatory damages in any Related Investor
16 Action based on Defendant's payment of disgorgement in
17 this action, argue that he is entitled to, nor shall he
18 further benefit by, offset or reduction of such
19 compensatory damages award by the amount of any part of
20 Defendant's payment of a civil penalty in this action
21 ("Penalty Offset"). If the court in any related
22 Related Investor Action grants such a Penalty Offset,
23 Defendant shall, within 30 days after entry of a final
24 order granting the Penalty Offset, notify the
25 Commission's counsel in this action and pay the amount
26 of the Penalty Offset to the United States Treasury to
27 a Fair Fund, as the Commission directs. Such a payment

1 shall not be deemed to change the amount of the civil
2 penalty imposed in this ^{Order} judgment. For purposes of this *X/A*
3 paragraph, a "Related Investor Action" means private
4 damages action brought against Defendant by or on
5 behalf of one or more investors based on substantially
6 the same facts as alleged in the Complaint in this
7 action.

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9 Dated this **FEB 22 2007** day of ~~_____~~ 200~~7~~.

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13 Honorable Alicemarie H. Stotler
14 United States District Judge
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