

1 STEPHEN L. COHEN, *pro hac vice*  
2 Securities and Exchange Commission  
3 100 F Street, N.E.  
4 Washington DC 20549-4030  
5 Telephone: (202) 551-4472  
6 Facsimile: (202) 772-9245  
7 Email: CohenS@sec.gov

8 LOCAL COUNSEL:  
9 JOHN B. BULGOZDY  
10 Cal Bar. No. 219897  
11 Securities and Exchange Commission  
12 5670 Wilshire Boulevard, 11<sup>th</sup> Floor  
13 Los Angeles, CA 90036-3648  
14 Telephone: (323) 965-3877  
15 Facsimile: (323) 965-3908  
16 Email: BulgozdyJ@sec.gov

17 Attorneys for Plaintiff U.S. Securities  
18 and Exchange Commission

FILED - SOUTHERN DIVISION  
CLERK, U.S. DISTRICT COURT  
NOV - 1 2006  
CENTRAL DISTRICT OF CALIFORNIA  
BY *AB* DEPUTY

ENTERED  
CLERK, U.S. DISTRICT COURT  
NOV - 2 2006  
CENTRAL DISTRICT OF CALIFORNIA  
BY DEPUTY

Priority send  
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19 UNITED STATES DISTRICT COURT  
20 CENTRAL DISTRICT OF CALIFORNIA

21 SECURITIES AND EXCHANGE  
22 COMMISSION,

23 Plaintiff,

24 vs.

25 TRI ENERGY, INC., et al.

26 Defendants.

27 Case No. ED CV 05-351 AG(FMOx)

28 STIPULATION AND ORDER OF  
CONTEMPT FOR FAILURE TO  
OBEY TEMPORARY  
RESTRAINING ORDER AND  
PRELIMINARY INJUNCTION

29 This Stipulation and Order is entered into between plaintiff Securities and  
30 Exchange Commission and defendant Henry Jones ("Jones") in connection with  
31 the above-captioned civil enforcement action.

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

152

1 WHEREAS, on May 2, 2005, the Court entered a Temporary Restraining  
2 Order ("TRO") against Jones, which, among other things, enjoined Jones from  
3 committing violations of Section 17(a) of the Securities Act of 1933, Section 10(b)  
4 of the Securities Exchange Act of 1934, and SEC Rule 10b-5;  
5

6 WHEREAS, on May 23, 2005, the Court entered a stipulated Preliminary  
7 Injunction ("PI") against Jones, which, among other things, enjoined Jones from  
8 committing violations of Section 17(a) of the Securities Act of 1933, Section 10(b)  
9 of the Securities Exchange Act of 1934, and SEC Rule 10b-5;  
10

11 WHEREAS, simultaneous with this Stipulation, the SEC filed the  
12 Declaration of Tracy L. Price In Support of Contempt Against Defendant Henry  
13 Jones (the "Price Declaration") providing the evidentiary basis for why the Court  
14 should hold Jones in civil contempt for failure to comply with the TRO and PI; and  
15

16 WHEREAS, to avoid the litigation attendant to any contempt proceeding,  
17 the parties seek and desire, by means of entering into this Stipulation and Order, to  
18 hereby consensually resolve this civil contempt proceeding upon the terms set forth  
19 in the paragraphs below;  
20

21 NOW, THEREFORE, THE PARTIES HERETO AGREE AND IT IS  
22 HEREBY ORDERED AS FOLLOWS:  
23

24 1. The Court hereby enters a finding that Jones' conduct, as described in the  
25 Price Declaration, violated the TRO and PI entered against Jones by the Hon.  
26  
27  
28

1 Virginia Phillips respectively on May 2, 2005 and May 23, 2005, and thus has  
2 placed Jones in civil contempt of the Court. Without admitting or denying the  
3 allegations of civil contempt made by the SEC, Jones hereby consents to the entry  
4 of this finding of civil contempt against him.  
5

6 2. In order to purge his contempt, Jones has agreed to an amended  
7 preliminary injunction with a broader prohibition of conduct, which is attached as  
8 Exhibit A. Upon Court approval of the amended injunction and entry by the Court,  
9 Jones will be subject to the Amended Preliminary Injunction, and his civil  
10 contempt will be deemed purged.  
11  
12

13 3. This Stipulation and Order shall not preclude the SEC, the Department of  
14 Justice, or any State authority from commencing any future civil or criminal  
15 investigations or proceedings against Jones or any other party.  
16

17 4. Upon execution of this Stipulation and Order and approval by the Court,  
18 the terms and obligations of this Stipulation and Order shall become effective  
19 immediately and shall be binding upon the SEC, Jones, and their successors and  
20 assigns.  
21

22 5. The District Court shall retain jurisdiction to address and take any action  
23 necessary to compel compliance with the terms and conditions of this Stipulation  
24 and Order.  
25

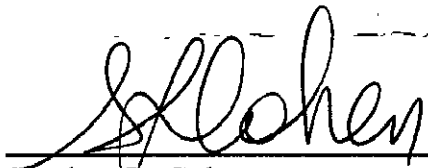
26 6. This Stipulation and Order is the entire agreement between the parties in  
27  
28

1 respect to the subject matter hereof and the signatories hereto hereby confirm and  
2 acknowledge that they have full authority to execute this Stipulation and Order on  
3 behalf of the respective parties and bind them to all of the terms hereof.  
4


5 7. This Stipulation and Order may be signed in counterpart originals.

6 **SO AGREED AND STIPULATED:**

7  
8 DATED: <sup>Oct.</sup> ~~September~~ 4, 2006


  
\_\_\_\_\_  
Stephen L. Cohen  
John Bulgozdy  
Attorneys for Plaintiff  
Securities and Exchange Commission

12  
13 DATED: September 26, 2006

  
\_\_\_\_\_  
Defendant Henry Jones

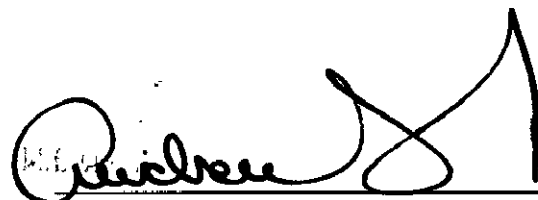
16  
17 **APPROVED AS TO FORM AND CONTENT:**

18 DATED: <sup>Oct</sup> ~~September~~ 3, 2006

  
\_\_\_\_\_  
John Cotton  
Attorney for Defendant Henry Jones

21  
22 **IT IS SO ORDERED:**

23 DATED: <sup>October</sup> ~~September~~ 31, 2006

  
\_\_\_\_\_  
Honorable Andrew J. Guilford  
UNITED STATES DISTRICT JUDGE