

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA

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| SECURITIES AND EXCHANGE | |) | |
| COMMISSION, | |) | |
| | |) | |
| | Plaintiff, |) | |
| | |) | |
| | v. |) | CASE NO. 3:00CV0446RM |
| | |) | |
| FIRST CHOICE MANAGEMENT | |) | |
| SERVICES, INC. and | |) | Judge Robert L. Miller, Jr. |
| GARY VAN WAEYENBERGHE, | |) | |
| | |) | Magistrate Judge Theresa L. |
| | Defendants. |) | Springmann |
| _____ | |) | |

**FINAL JUDGMENT AS TO DEFENDANTS FIRST CHOICE MANAGEMENT
SERVICES, INC. AND GARY VAN WAEYENBERGHE**

The Securities and Exchange Commission having filed a Complaint and Defendants First Choice Management Services, Inc. ("First Choice") and Gary Van Waeyenberghe ("Van Waeyenberghe") (collectively "Defendants") having entered a general appearance; consented to the Court's jurisdiction over them and the subject matter of this action; consented to the entry of this Final Judgment and the Order Liquidating First Choice Management Services, Inc. ("Liquidating Order") without admitting or denying the allegations of the Complaint (except as to jurisdiction); and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants, Defendants' agents, servants, employees, attorneys, assigns and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from violating Section 5 of the

Securities Act of 1933 ("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 use of any means or instruments of transportation or communication in interstate commerce or of the mail 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;
- (c) Unless a registration statement is in effect as to a security, 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 otherwise, any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. §77h].

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants, Defendants' agents, servants, employees, attorneys, assigns and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the

Securities Act [15 U.S.C. §§77q(a)] in the offer of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

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

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, Defendants' agents, servants, employees, attorneys, assigns and those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §240.10b-5] by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (a) to employ any device, scheme or artifice to defraud;
- (b) to make any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (c) to engage in any act, practice, or course of business which operates or would

operate as a fraud or deceit upon any person,
in connection with the purchase or sale of any security.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants jointly and severally are liable for disgorgement of \$24,500,000, together with prejudgment interest thereon in the amount of \$6,833,233, for a total of \$31,333,233. Defendants shall satisfy this obligation by paying \$31,333,233 within 10 business days to the receiver designated in the Liquidating Order ("Receiver"), together with a cover letter identifying Defendants as defendants in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendants shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendants relinquish all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to the Defendants.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that, in order to pay at least a portion of the disgorgement obligation, Defendant First Choice's assets shall be liquidated in accordance with the provisions of the Liquidating Order. The Receiver shall report to the Court the total net proceeds obtained from liquidating Defendant First Choice's assets and the total costs incurred in connection with the liquidation within 90 days after completing the liquidation of these assets. An amount calculated by subtracting the total costs of the liquidation from the total net proceeds of the liquidation shall be credited to the disgorgement amount to be collected from Defendants as set forth in Section IV of this Final Judgment.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Van Waeyenberghe shall pay a civil penalty in the amount of \$110,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. §78u(d)(3)]. Defendant shall make this payment within 10 business days after the entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312 and shall be accompanied by a letter identifying Defendant Van Waeyenberghe as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Van Waeyenberghe relinquishes all legal and equitable right, title and interest in any assets previously transferred to the Receiver or which are currently being held by the Receiver.

VIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the Consent of First Choice Management Services, Inc. and Gary Van Waeyenberghe is incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

IX.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the

Order of Preliminary Injunction and Other Equitable Relief dated August 1, 2000 is vacated and superseded by this Final Judgment.

X.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes including enforcement of this Final Judgment.

s/Robert L. Miller, Jr.
HONORABLE ROBERT L. MILLER, JR.
UNITED STATES DISTRICT JUDGE

Dated: August 8, 200³7