

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

DONALD K. MCGHAN

Defendant.

00 0475

___ Civ. ___

FILED

MAR 14 2000

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

FINAL JUDGMENT OF PERMANENT INJUNCTION AS TO
DONALD K. MCGHAN

Plaintiff Securities and Exchange Commission (the "Commission") having filed a Complaint (the "Complaint") against the Defendant Donald K. McGhan ("McGhan"), McGhan having in his Consent and Undertaking of Donald K. McGhan (the "Consent") entered a general appearance herein, having admitted the jurisdiction of this Court over him and over the subject matter of this action, having waived service of process, having waived the filing of an Answer to the Complaint and the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying any of the allegations of the Complaint, except as to jurisdiction, which he admits, and without trial, argument or adjudication of any issue of fact or law, having consented to the entry of this Final Judgment of Permanent Injunction and Other Relief as to Donald K. McGhan (the "Final Judgment"), permanently restraining and enjoining McGhan from violating Sections 10(b) and 13(b)(5) of the

Securities Exchange Act of 1934 (the "Exchange Act") and Rules 10b-5 and 13b2-1 thereunder, and ordering McGhan to pay a civil money penalty of \$50,000; and it further appearing that this Court has jurisdiction over McGhan and the subject matter hereof, and the Court being fully advised in the premises

I.

IT IS HEREBY ORDERED that McGhan, his agents, servants, employees, attorneys-in-fact, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by, directly or indirectly, using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange to:

- (a) employ any device, scheme or artifice to defraud;
- (b) make any untrue statement of a material fact or to omit to state 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) 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.

II.

IT IS HEREBY ORDERED that McGhan, his agents, servants, employees, attorneys-in-fact, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 13(b)(5) of the Exchange Act by knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act.

III.

IT IS HEREBY ORDERED that McGhan, his agents, servants, employees, attorneys-in-fact, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Rule 13b2-1 of the Exchange Act by, directly or indirectly, falsifying or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act.

IV.

IT IS FURTHER ORDERED that McGhan pay a civil money penalty of \$50,000 pursuant to Section 21(d) of the Exchange Act to be paid twenty (20) days from the entry of this Final Judgment. Payment is to be made by U.S. Postal money order, certified check, bank cashier's check, or bank money order, made payable to the Securities and Exchange Commission and shall

be hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312, under cover of a letter that identifies the respondent and the name and file number of this proceeding. A copy of the cover letter and of the form of payment shall be simultaneously transmitted to Laura B. Josephs, Esq., Securities and Exchange Commission, Division of Enforcement, 450 Fifth Street, N.W., Washington, D.C. 20549-0703.

V.

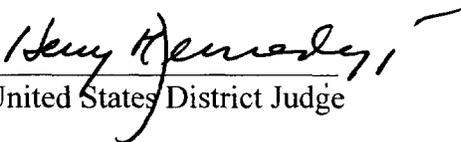
IT IS FURTHER ORDERED that the annexed Consent be, and the same hereby is, incorporated herein by reference with the same force and effect as if fully set forth herein.

VI.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for the purpose of enforcing the terms of this Final Judgment.

VII.

There being no just reason for delay, the Clerk of this Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.


United States District Judge

Dated: Washington, D.C.
3/13/00,