

**UNITED STATES DISTRICT COURT  
FOR THE  
WESTERN DISTRICT OF MICHIGAN**

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**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**PAUL SHINGLEDECKER**

**Defendant.**

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**CIVIL ACTION  
NO.**

**JUDGE**

**ORDER OF PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF  
AGAINST PAUL SHINGLEDECKER**

Plaintiff United States Securities and Exchange Commission ("Commission"), having filed a Complaint for a Permanent Injunction and Other Equitable Relief ("Complaint") in this matter, and Defendant Paul Shingledecker ("Shingledecker"), in his Consent and Stipulation attached hereto and incorporated herein ("Consent"), having acknowledged receipt of the Complaint and admitted the personal jurisdiction of this Court over him and over the subject matter hereof, and both the Commission and Shingledecker having waived the entry of Findings of Fact and Conclusions of Law as provided by Rule 52 of the Federal Rules of Civil Procedure, and Shingledecker, without admitting or denying the allegations of the Complaint except as to jurisdiction, and without trial, argument, or adjudication of any issue of fact or law herein, having consented to the entry of this Order of Permanent Injunction and Other Equitable Relief ("Order"), and it further appearing that the Court has jurisdiction over the parties and the subject matter hereof, and the Court being fully advised in the premises:

**I.**

**IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED** that Shingledecker, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly:

- (1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell or offer to sell securities through the use or medium of any prospectus or otherwise, unless a registration statement is in effect with the Commission as to such securities;
- (2) carrying or causing to be carried such securities through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, unless a registration statement is in effect with the Commission as to such securities; or
- (3) 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 such securities, through the use or medium of any prospectus or otherwise, unless a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order or any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. 77h],

in violation of Sections 5(a) or 5(c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§77e(a) or (c)].

## II.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Shingledecker, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, in the offer or sale of any securities:

- (1) employing any device, scheme or artifice to defraud;
- (2) obtaining money or property by means of any untrue statement of material fact or any omission 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
- (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser of such securities,

in violation of Sections 17(a)(1), (2) or (3) of the Securities Act [15 U.S.C. §§77q(a)(1), (2) or (3)].

## III.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Shingledecker, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, by the use of any means or

instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (1) employing any device, scheme or artifice to defraud;
- (2) making any untrue statement of material fact or any omission 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
- (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5].

#### IV.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Shingledecker pay disgorgement in the amount of \$140,000, representing his gains from the conduct alleged in the Complaint, plus pre-judgment interest in the amount of \$25,148.86 thereon, for a total payment of \$165,148.86, provided, however, that based upon Shingledecker's sworn representations in his Statement of Financial Condition dated November 20, 2000, and submitted to the Commission, payment of the aforementioned amount and pre-judgment interest thereon is waived, except for \$25,000, contingent upon the accuracy and completeness of his Statement of Financial Condition. Shingledecker shall disgorge the \$25,000 pursuant to a two year payment plan, as follows:

- (1) Shingledecker shall pay \$5,000 by no later than fourteen days after the issuance of this Order.
- (2) Shingledecker thereafter shall make eight payments of \$2,500 each by June 30, 2001, September 30, 2001, December 31, 2001, March 31, 2002, June 30, 2002, September 30, 2002, December 31, 2002 and March 31, 2003.
- (3) Each payment of disgorgement shall be made to the Clerk, U.S. District Court, Western District of Michigan, by cashier's check, certified check or United States postal money order.

**V.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that based upon Defendant Shingledecker's sworn representations in his Statement of Financial Condition dated November 20, 2000, and submitted to the Commission, the Court is not ordering him to pay a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d)(3) of the Exchange Act, as amended [15 U.S.C. §78u(d)(3)]. The determination not to impose a civil penalty and to waive partial payment of the aforementioned amount described in Paragraph IV and pre-judgment interest thereon is contingent upon the accuracy and completeness of his Statement of Financial Condition. If at any time following the entry of this Order the Commission obtains information indicating that Defendant Shingledecker's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to

Defendant Shingledecker, petition this Court for an order requiring Defendant Shingledecker to pay the aforementioned amount described in Paragraph IV, pre-judgment and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant Shingledecker was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant Shingledecker to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Order, and the Commission may also request additional discovery. Defendant Shingledecker may not, by way of defense to such petition, challenge the validity of the Consent or the Order, contest the allegations in the Complaint filed by the Commission, the amount ordered to be paid in Paragraph IV above, pre-judgment judgment interest thereon, or assert that the payment of a civil penalty should not be ordered.

## **VI.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the attached Consent of Shingledecker be, and hereby is, incorporated herein with the same force and effect as if fully set out herein.

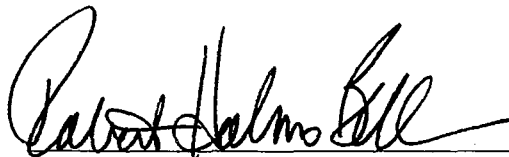
**VII.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order.

**VIII.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Court shall retain jurisdiction of this action for all purposes, including enforcement of this Order.

**SO ORDERED:**

A handwritten signature in black ink, appearing to read "Robert Halmes", written over a horizontal line.

**Honorable  
UNITED STATES DISTRICT JUDGE**

Dated: May 9, 2001