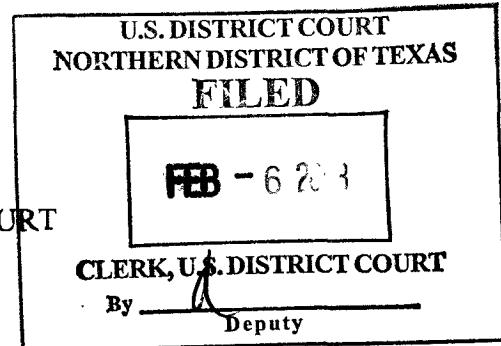


IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
FORT WORTH DIVISION



SECURITIES AND EXCHANGE COMMISSION

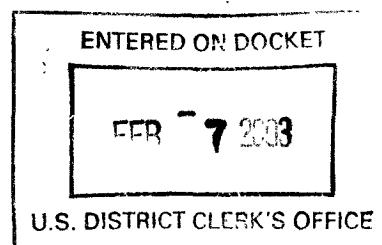
Plaintiff, : Case No. . 4:02-CV-0403-A  
vs. : .

G. MATTHIAS HEINZELMANN, III

**Defendant:**

*Final* JUDGMENT OF PERMANENT INJUNCTION AND  
OTHER RELIEF AS TO DEFENDANT G. MATTHIAS HEINZELMANN, III

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint in this matter and defendant G. Matthias Heinzelmann ("Heinzelmann"), through his ~~Stipulation and Consent~~ ("Consent"), ~~incorporated herein by reference~~, has admitted service of the Complaint, admitted the jurisdiction of this Court over him and over the subject matter of this action, has waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and his right to appeal this Judgment of Permanent Injunction. Heinzelmann has, in his Consent, without admitting or denying the allegations of the Complaint (except as to jurisdiction, which he admits), and without a hearing, presentation of any evidence, trial, argument, or adjudication of any issue of fact or law, consented to the entry of this Judgment.



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It further appearing that the Court has jurisdiction over Heinzelmann and the subject matter of this action:

I.

**IT IS ORDERED, ADJUDGED, and DECREED** that Heinzelmann, his agents, servants, employees, attorneys, and all those persons in active concert and participation with him who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from, directly or indirectly, through the use of any means or instrumentality of interstate commerce or of the mails, or of the facilities of a national securities exchange, violating Section 10(b) of the Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], by:

- (A) employing any device, scheme, or artifice to defraud,
- (B) making any untrue statement of a material fact or omitting 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) engaging in any transaction, act, practice, or course of business which operates or would operate as a fraud or deceit on any person, in connection with the purchase or sale of any security, in

II.

**IT IS FURTHER ORDERED, ADJUDGED and DECREED** that Heinzelmann, his agents, servants, employees, attorneys, and all those persons in active concert and participation with him who receive actual notice of this Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined

from, directly or indirectly, violating Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13, thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13], by failing to file with the SEC any annual or quarterly report, that in addition to the information expressly required, contains all material information that may be necessary to make the required statements not misleading, on behalf of any issuer, required to be filed with the SEC pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and the rules and regulations promulgated thereunder.

III.

**IT IS FURTHER ORDERED, ADJUDGED and DECREED** that Heinzelmann, his agents, servants, employees, attorneys, and all those persons in active concert and participation with him, who receive actual notice of this Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rules 13b2-1 and 13b2-2, thereunder [17 C.F.R. §§ 240.13b2-1 and 240.13b2-2] by:

- (1) Knowingly circumventing or knowingly failing to implement a system of internal accounting controls as detailed in Section 13(b)(2) of the Exchange Act;
- (2) knowingly falsifying any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act; or
- (3) omitting to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with (a) any audit or examination of the financial statements of the issuer required to be made

pursuant to this subpart or (2) the preparation or filing of any document or report required to be filed with the Commission.

IV.

**IT IS FURTHER ORDERED, ADJUDGED, and DECREED** that Heinzelmann, his agents, servants, employees, attorneys, and all those persons in active concert and participation with him, who receive actual notice of this Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, aiding and abetting violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §78m(b)(2)(A) and 78m(b)(2)(B)] by:

(1) failing to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the issuer; or,

(2) failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that --

(a) transactions are executed in accordance with management's general or specific authorization;

(b) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability for assets;

(c) access to assets is permitted only in accordance with management's general or specific authorization; and

(d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

## V.

**IT IS FURTHER ORDERED, ADJUDGED, and DECREED** that Heinzelmann shall pay a civil money penalty of \$40,000, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] to the United States Treasury. Payment of \$10,000 of the total amount shall be made within 45 days of the entry of this Order; an additional \$10,000 shall be paid within 180 days of the entry of this Order; and the remainder of \$20,000 shall be made within 360 days of the entry of this Order. Such payments shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Heinzelmann as a defendant in this civil action, and the docket number hereof, a copy of which cover letter and money order or check shall be sent to Harold F. Degenhardt, the District Administrator of the Fort Worth District Office, Securities and Exchange Commission, 801 Cherry Street, Suite 1900, Fort Worth Texas 76102.

## VI.

**IT IS FURTHER ORDERED, ADJUDGED, and DECREED** that this Order to pay a civil penalty is given preclusive effect in any bankruptcy case filed by or against Heinzelmann, and that, solely for the purpose of such bankruptcy proceedings, and such Order

establishes all the factual elements necessary to enable a court to make a finding that it is nondischargeable pursuant to 11 U.S.C. § 523(a)(4).

VII.

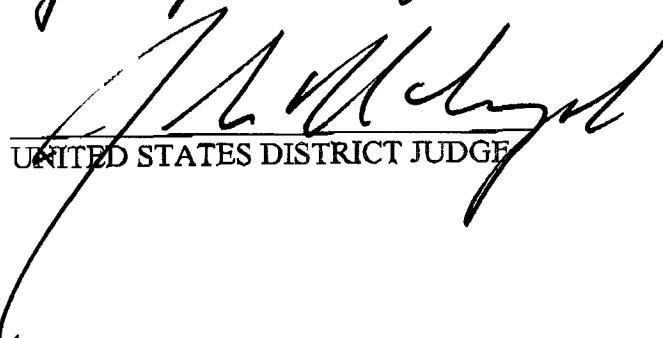
**IT IS FURTHER ORDERED, ADJUDGED, and DECREED** that defendant Heinzelmann, is permanently enjoined and restrained from acting as a director or officer of any issuer having a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. §78 l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VIII.

**IT IS FURTHER ORDERED, ADJUDGED, and DECREED** that the annexed Consent of Defendant G. Matthias Heinzelmann, III, he, and hereby is, incorporated herein with the same force and effect as if fully set forth herein. M

## IX.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that, ~~there being~~  
~~is the final judgment in this action as to~~  
~~no just reason for delay, the Clerk of the Court is ordered to enter this Judgment of~~  
~~all issues raised by the pleadings.~~  
~~Permanent Injunction.~~

  
J. M. McClay  
UNITED STATES DISTRICT JUDGE

Signed 2/6/03

Approved as to form:

Marshall M. Searcy  
Counsel for G. Matthias Heinzelmann  
Marshall M. Searcy, Jr.  
(Attorney in Charge)  
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Texas State Bar No. 24012215  
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