

ORIGINAL

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

FIDELITY PETROLEUM
CORPORATION AND ROBERT R.
McCLANAHAN,

Defendants.

Civil Action No. 3-02CV 1796K

NOV - 7 2003

By _____

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
RELIEF AGAINST DEFENDANT ROBERT R. McCLANAHAN**

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant Robert R. McClanahan ("McClanahan") a Summons and Complaint in this matter and McClanahan having admitted service upon him of the Summons and Complaint in this action and the jurisdiction of this Court over him and over the subject matter of this action; having been fully advised and informed of his rights to a judicial determination of this matter; having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; having consented to the entry of this Final Judgment of Permanent Injunction and Other Relief Against Defendant Robert R. McClanahan ("Judgment") without admitting or denying the allegations in the Complaint, except as specifically set forth in the Consent of Defendant Robert R. McClanahan to Entry of Judgment of Permanent Injunction and Other

Relief ("Consent"); and it appearing that no notice of hearing upon the entry of this Judgment being necessary; and the Court being fully advised in the premises, and there being no just reason for delay:

I.

IT IS ORDERED, ADJUDGED & DECREED that McClanahan and his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with any of them, 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:

- A. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any issuer, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect as to such securities;
- B. carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, the securities of any issuer, unless and until a registration statement is in effect as to such securities; and
- C. 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, the securities of any issuer, unless and until a registration statement has been filed with the Commission as to such securities, or while 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 (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; in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) & 77e(c); provided, however, that nothing in this Judgment shall apply to any security or transaction which is exempt from the provision of Section 5 of the Securities Act, 15 U.S.C. § 77e.

II.

IT IS ORDERED, ADJUDGED AND DECREED that McClanahan and his agents, servants, employees, attorneys, and all persons in active concert or participation with any of them, 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, in the offer or sale of the securities of any issuer, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- A. employing any device, scheme or artifice to defraud;
 - B. obtaining money or property by means of any untrue statement of a 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
 - C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;
- in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that McClanahan and his agents, servants, employees, attorneys, and all persons in active concert or participation with any of them, 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, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- 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 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, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant McClanahan is assessed, and shall pay to the Commission for delivery to the United States Treasury, a civil penalty in the amount of \$120,000 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. § 78(u)(d)(3). McClanahan shall pay the penalty within ninety days from the date this Judgment is entered. Payment shall be made by cashier's check, certified check or postal money order made payable to the United States Treasury, and shall be transmitted to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312, under cover of a letter that identifies the defendant, the name and case number of this litigation and the name of the Court. A copy of the letter and the check or money order shall be

simultaneously transmitted to counsel for the Commission at its Los Angeles office located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles, CA 90036.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that during the pendency of this action against any defendant, McClanahan shall remain subject to the discovery provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition, that McClanahan agrees and undertakes, without service of a subpoena, to appear for his deposition or to testify as a witness at any trial of this action or at any related proceeding. Failure to comply with the foregoing will subject McClanahan to the remedies and sanctions set forth in Rule 37 of the Federal Rules of Civil Procedure and all other available remedies.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of the Consent filed concurrently with this Judgment are incorporated herein with the same force and effect as if fully set forth herein and that McClanahan shall comply with his Consent.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action to determine the liability of any remaining defendants in the matter, to implement and to enforce the terms of this Final Judgment and all other orders and decrees that may be entered herein and to grant such other relief as the Court may deem necessary and just.

VIII.

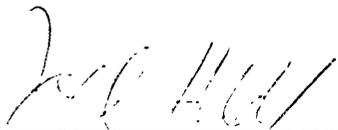
There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Judgment forthwith.

DATED and SIGNED this 2nd day of October, 2003.

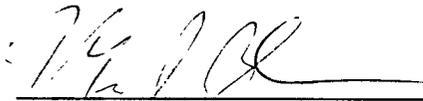


UNITED STATES DISTRICT JUDGE

APPROVED AS TO FORM:



Joel Held
Attorney for Defendant Robert R. McClanahan



Marc J. Blau
Attorney for Plaintiff Securities and
Exchange Commission

CERTIFICATE OF SERVICE

I hereby certify that on July 23, 2003, a true and correct copy of the foregoing document:

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
RELIEF AGAINST DEFENDANT ROBERT R. McCLANAHAN**

was served by U.S. First Class mail on the following individuals and entities:

Joel Held, Esq.
Baker & McKenzie
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, TX 75201

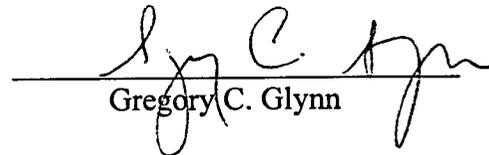
Also served this date by Federal Express

Telephone: (214) 978-3000
Telecopier: (214) 978-3099
Counsel for Defendants
Fidelity Petroleum Corp. and
Robert R. McClanahan

Harold R. Loftin, Jr.
Securities and Exchange Commission
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, TX 76102-6882

Telephone: (817) 978-6450
Telecopier: (817) 978-4927
Local Counsel for Plaintiff
Securities and Exchange Commission

Dated: July 23, 2003



Gregory C. Glynn

CERTIFICATE OF SERVICE

I hereby certify that on October 16, 2003, a true and correct copy of the foregoing document:

**Final Judgment of Permanent Injunction and Other Relief Against
Defendant Robert R. McClanahan**

was served by U.S. First Class mail on the following individuals and entities:

Joel Held, Esq.
Baker & McKenzie
2300 Trammell Crow Center
2001 Ross Avenue
Dallas, TX 75201

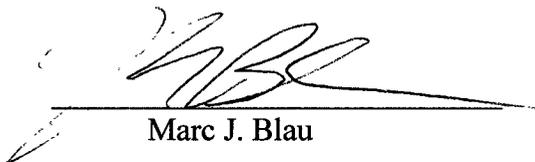
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Telephone: (817) 978-6450
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Local Counsel for Plaintiff
Securities and Exchange Commission

Dated: October 16, 2003


Marc J. Blau