

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

4
JUDGE BAER

Baer

SECURITIES AND EXCHANGE COMMISSION

03

CV

7045

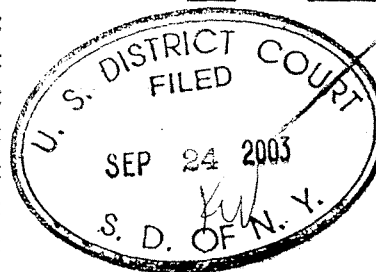
Plaintiff,

v.

AMERICAN INTERNATIONAL GROUP, INC., et al.,

Defendants.

Civ.



FINAL JUDGMENT AS TO PHILLIP BOUNSALL

Plaintiff Securities and Exchange Commission ("Commission"), having filed a Complaint, charging, among others, Defendant Phillip Bounsall ("Bounsall") with a violation of Rule 13b2-1 of the Securities and Exchange Act of 1934 ("Exchange Act") [17 C.F.R. §240.13b2-1], and Bounsall having executed the annexed Consent of Phillip Bounsall ("Consent"), having admitted the jurisdiction of this Court over him and over the subject matter of this action, having admitted receiving service of the Summons and Complaint in this action, having waived the filing of an answer pursuant to Rule 12 of the Federal Rules of Civil Procedure and the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having waived any right he might have to appeal from the entry of this Final Judgment as to Phillip Bounsall ("Final Judgment"), and, without admitting or denying the allegations contained in the Complaint (except as to jurisdiction, which are admitted), having consented to the entry of this Final Judgment, without further notice, it is:

MICROFILM

-900AM

SEP 25 2003

I.

ORDERED, ADJUDGED, AND DECREED that Bounsall shall pay a civil penalty in the amount of \$45,000 pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. §78u(d). Bounsall shall make this payment within ten (10) business days after receiving notice of the entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to "United States 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 cover letter identifying the Defendant, the caption and case number of this action, the name of this Court, the Commission's internal file number (NY-6749) and that the payment is a civil penalty. Copies of such check or money order and accompanying cover letter shall be simultaneously transmitted to Andrew M. Calamari, Deputy Assistant Regional Director, Northeast Regional Office, United States Securities and Exchange Commission, 233 Broadway, New York, NY 10279.

II.

FURTHER ORDERED, ADJUDGED AND DECREED that plaintiff may effect service of this Final Judgment and all other papers in this action upon Bounsall by sending a copy via first class mail to his counsel, Andrew Levander, Esq. of Swidler Berlin Shereff Friedman LLP, 405 Lexington Avenue, New York, NY 10174, unless Bounsall notifies the Commission otherwise by letter addressed to Wayne M. Carlin, Regional Director, U.S. Securities & Exchange Commission, 233 Broadway, New York, NY 10279, attn: Andrew M. Calamari.

III.

FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent is incorporated herein with the same force and effect as if fully set forth herein.

IV.

FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes including, but not limited to, implementing and enforcing the terms and conditions of this Final Judgment.

V.

FURTHER ORDERED, ADJUDGED AND DECREED that, there being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment forthwith pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

✓
SO ORDERED, this 22 day of Sept, 2003.

Harold B. ...
UNITED STATES DISTRICT JUDGE

J

**THIS DOCUMENT WAS ENTERED
ON THE DOCKET ON 9/27/03**

CONSENT OF PHILLIP BOUNSALL

1. Defendant Phillip Bounsall ("Bounsall"), being fully apprised of his rights, having had the opportunity to confer with legal counsel, having read and understood the terms of the Final Consent Judgment As To Defendant Phillip Bounsall ("Final Judgment"), appears and admits the jurisdiction of this Court over him and over the subject matter of this action, waives the filing of an answer pursuant to Rule 12 of the Federal Rules of Civil Procedure, 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 the allegations contained in the Complaint of Plaintiff Securities and Exchange Commission ("Commission"), except as to jurisdiction (which are admitted), hereby consents to the entry, without further notice, of the Final Judgment.

2. Bounsall agrees that this Consent of Phillip Bounsall ("Consent") shall be incorporated by reference in and made part of the Final Judgment to be presented to the Court for signature, filing and entry contemporaneously herewith.

3. Bounsall waives any right he may have to appeal from the Final Judgment.

4. Bounsall acknowledges that any willful violation of any of the terms of the Final Judgment may place him in contempt of this Court and subject him to civil or criminal penalties.

5. Bounsall acknowledges that he enters into this Consent voluntarily, and that this Consent and the Final Judgment, embody the entire understanding of the parties. Bounsall acknowledges and agrees that this proceeding, and his consent to the entry of the Final Judgment, are for the purposes of resolving this civil action only, and that no tender, offer, promise, threat or representation of any kind has been made by Plaintiff Commission or any member, officer, attorney, agent, or representative thereof, to induce him to enter into this Consent.

6. Bounsall acknowledges that he has been informed and understands that Plaintiff Commission, at its sole and exclusive discretion, may refer or grant access to this matter, or any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate administrative, civil, or criminal jurisdiction, if the Commission has not already done so.

7. Bounsall acknowledges and agrees that his consent to the entry of the Final Judgment is for the purposes of this action only, in conformity with the provisions of 17 C.F.R. § 202.5(f), and does not resolve, affect or preclude any other proceeding which may be brought against him. Among other things, Bounsall waives any right he may have to assert that, under the Double Jeopardy Clause of the Fifth Amendment to the United States Constitution, the relief sought or consented to in this civil action, including the seeking or imposition of any remedy or civil penalty herein, bars any criminal action, or that any criminal action bars the relief consented to in this action.

8. Defendant Bounsall understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" (17 C.F.R. § 202.5(e)). In compliance with this policy, Bounsall agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; and (ii) that upon the filing of this Consent, Bounsall hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Bounsall breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this provision affects Bounsall's: (i) testimonial obligations; or (ii)

right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commission is not a party.

9. Bounsall hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to pursue reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Bounsall agrees that Bounsall is not the prevailing party in this action since the parties have reached a good faith settlement.

10. Bounsall agrees to execute and return promptly acknowledgment of receipt of the Final Judgment once the Final Judgment has been entered by the Court and forwarded to him for this purpose.

11. Bounsall consents that this Court shall retain jurisdiction of this action for the purpose of implementing and enforcing the terms and conditions of the annexed Final Judgment and for all other purposes.

12. Bounsall agrees that first class and certified mail to his attorney, Andrew Levander, Esq. of Swidler Berlin Shereff Friedman LLP, 405 Lexington Avenue, New York, NY 10174, shall be deemed personal service for all correspondence, service and notices as to any matter related to this Consent and the Final Judgment, unless Bounsall notifies the Commission otherwise by letter at the following address: Wayne M. Carlin, Esq., Regional Director, U.S. Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, N.Y. 10279, attn: Andrew M. Calamari, Esq.

13. Bounsall agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source including, but not limited to, payment made pursuant to any insurance policy, with regard to any penalty amounts that Bounsall shall pay

pursuant to this Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors. Bounsall further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state or local tax for any penalty amounts that Bounsall shall pay pursuant to this Final Judgment, regardless of whether such penalty amounts or any part thereof are added to a distribution fund or otherwise used for the benefit of investors.

14. Bounsall hereby consents and agrees that the Final Judgment may be presented by the Commission to the Court for signature and entry without further notice and delay.

Dated:

7/22/03

Phillip Bounsall
PHILLIP BOUNSALL

STATE OF Indiana)

COUNTY OF Marion)

ss.:

On this 22nd day of July, 2003, before me personally appeared Phillip Bounsall, to me known and known to me to be the person who executed the foregoing Consent.

Sabrina J. Harris
NOTARY PUBLIC

Commission expires:

Oct 4 2008

Approved as to form:

Andrew Levander / RUT
Andrew Levander, Esq.
Swidler Berlin Shereff Friedman LLP
Chrysler Building
405 Lexington Avenue
New York, NY 10174
Telephone: (212) 891-9217
Attorney for Phillip Bounsall

