

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION**

**SECURITIES AND EXCHANGE COMMISSION,**

Plaintiff,

**v.**

**JACK A. BROWN, JULES B. FLEDER,  
BERNARD WARE, ROGER SHERMAN,  
TYLER REAL ESTATE, LLC,  
MODEL PROPERTIES, INC.,  
SMITH MOUNTAIN LAKE, LLC,  
COUNTRY LAKE ESTATES, INC.,  
PRAIRIE LAKE ESTATES, L.P., and  
BIG PINE REAL ESTATE DEVELOPMENT, INC.,**

Defendants,

**and**

**U S REAL ESTATE PARTNERS, INC.,  
KENNSINGTON HOLDING CORPORATION,  
DEEP WATER HOLDINGS CORP.,  
GIBRALTAR ASSET PROTECTION, INC.,  
PREFERRED ASSETS, INC.,  
MODEL INVESTMENTS, INC.,  
J&P BROWN RESOURCES, LTD.,  
J P BROWN SERVICES COMPANY, LLC, and  
SUMMIT FINANCIAL SERVICES, INC.,**

Defendant Solely for  
Purposes of Equitable Relief.

Case No.: 6:04-CV-537

**AGREED FINAL JUDGMENT  
AGAINST JACK A. BROWN**

The Securities and Exchange Commission ("Commission") having filed suit against Jack A. Brown ("Defendant"), and Brown, after service of process, making a general appearance herein, waiving findings of fact and conclusions of law and consenting to the entry of this Order

without admitting or denying the allegations in the Commission's Complaint, except as to personal and subject matter jurisdiction,

**IT IS THEREFORE ORDERED:**

**I.**

Defendant Jack A. Brown, his agents, servants, employees, attorneys, and all other persons in active concert or participation with him, is permanently enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. §77q(a)], directly or indirectly, in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, by --

- (A) employing any device, scheme, or artifice to defraud, or
- (B) 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 statement(s) 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.

**II.**

Defendant Jack A. Brown, his agents, servants, employees, attorneys, and all other persons in active concert or participation with him, is permanently enjoined from violating Section 10(b) of the Exchange Act or Rule 10b-5 [15 U.S.C. §78j(b) and 17 C.F. R. §240.10b-5], directly or indirectly, in connection with the purchase or sale of any security, by making use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (A) to use or employ any manipulative or deceptive device or contrivance in contravention of the rules and regulations promulgated by the Commission;
- (B) to employ any device, scheme, or artifice to defraud;
- (C) to make any untrue statement of a material fact or omit 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
- (D) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**III.**

IT IS FURTHER ORDERED that Defendant Jack A. Brown is liable for disgorgement of \$453,482, representing all of the benefits received as a result of the conduct alleged in the Complaint.

**IV.**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

**V.**

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

**It is SO ORDERED.**

**SIGNED this 18th day of April, 2007.**

A handwritten signature in black ink, reading "Michael H. Schneider", is written over a horizontal line.

MICHAEL H. SCHNEIDER  
UNITED STATES DISTRICT JUDGE