

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

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**SECURITIES AND EXCHANGE COMMISSION,**

Plaintiff,

v.

**MARK DAVID SHAPIRO, PHILIP B. MURPHY,  
THOMAS GERALD DAHLEN, JR., ALBERT  
M. ABBOOD, and JAMES H. THATCHER,**

Defendants.

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Civil Action No.:  
4:05-CV-0364

**AGREED FINAL JUDGMENT  
AGAINST MARK DAVID SHAPIRO**

The Securities and Exchange Commission having filed a Complaint and Defendant Mark David Shapiro having entered a general appearance; consented to the Court's jurisdiction over him and the subject matter of this action; consented to entry of this Agreed Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Agreed Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, or aiding and abetting any violation of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using 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, by:

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

II.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Agreed Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] and Rules 13b2-1 and 13b2-2 promulgated thereunder [17 C.F.R. §§ 240.13b2-1 and 240.13b2-2], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, by:

- (a) falsifying any book, record or account or knowingly circumventing an issuer's system of internal controls; or
- (b) making or causing to be made a materially false or misleading statement, or omitting or causing to be omitted a statement of a material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading to an accountant in connection with a required audit or the preparation or

filing of a required document or report with the Commission.

III.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Agreed Final Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1 and 13a-13] promulgated thereunder, by providing substantial assistance to an issuer in its (i) failing to file annual reports with the Commission that are true, correct and current, or (ii) failing to file periodic reports with the Commission that are true, correct and current, or (iii) failing to include of any information that is necessary to make the required statements, in light of the circumstances under which they were made, not misleading.

IV.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Agreed Final Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and (B)], by knowingly providing substantial assistance to an issuer in its:

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

- (b) failure to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that
  - (1) transactions are executed in accordance with management's general or specific authorization;
  - (2) 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;
  - (3) access to assets is permitted only in accordance with management's general or specific authorization; and
  - (4) 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 Defendant shall pay a civil penalty in the amount of \$135,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall pay \$50,000 of this amount within thirty (30) days after entry of this Agreed Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. Defendant shall pay the remaining \$85,000, plus accumulated post-judgment interest, within one year from the entry of this Agreed Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payments 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 letter identifying Mark David Shapiro as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Agreed Final Judgment.

VI.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.


VII.

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

VIII.

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 Agreed Final Judgment as a final judgment as to Defendant Shapiro, resolving fully and completely all claims against him arising from the facts alleged in the Commission's Complaint forthwith and without further notice.

**SIGNED this 15th day of August, 2008.**

  
MICHAEL H. SCHNEIDER  
UNITED STATES DISTRICT JUDGE

*SEC v. Shapiro, et al.*  
**Agreed Final Judgment  
Against Mark David Shapiro**

Agreed to Form:

s/Jennifer D. Brandt

Jennifer D. Brandt

U.S. Securities and Exchange Commission

801 Cherry Street, 19<sup>th</sup> Floor

Fort Worth, Texas 76102

(817) 978-6442

(817) 978-4927 fax

[brandtj@sec.gov](mailto:brandtj@sec.gov)

*Counsel for Plaintiff Securities and Exchange Commission*

s/Terrence J. Hart

Terrence J. Hart

Bracewell & Giuliani LLP

1445 Ross Avenue

Suite 3800

Dallas, Texas 57202-2711

Tel: 214-468-3800

Fax: 214-468-3888

*Counsel for Mark David Shapiro*

***SEC v. Shapiro, et al.***

**Agreed Final Judgment**

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