

**THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**INTEGRATED SERVICES GROUP, INC,
JAMES L. ROWTON, and
DAVID M. LOEV,**

Defendants.

Civil Action No.
4:05-CV-04071
ECF

**ORDER GRANTING JUDGMENT
BY DEFAULT GRANTING PERMANENT INJUNCTION AND
OTHER RELIEF AS TO JAMES L. ROWTON**

This matter came before this Court on the Plaintiff Securities and Exchange Commission's Application seeking entry of a final judgment by default, providing it with the relief requested in its Complaint against Defendant James L. Rowton, ("Rowton"), by reason of Defendant's failure to answer the Commission's Complaint, or otherwise appear in or defend this civil action.

This Court having considered the pleadings and declarations on file herein makes the following findings of fact and conclusions of law:

1. The Complaint commencing this civil action against Defendant Rowton was filed on November 29, 2005. Defendant Rowton was served with the Complaint and this Court's Summons, on April 26, 2006.

2. Rowton has not filed an answer to the Complaint, and has not otherwise appeared before this Court to defend in this cause.

3. Rowton is neither an infant, nor incompetent person, and is not eligible for relief under the Soldiers' and Sailors' Civil Relief Act of 1940 [50 U.S.C. Appendix, § 501 et seq.].

4. No appearance has been entered by counsel on behalf Rowton.

5. The allegations in the Complaint as to Rowton are, as to him, deemed admitted.

6. The Commission is entitled to an interlocutory judgment permanently enjoining Defendant Rowton, from violating Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)] (“Securities Act”) and Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] (“Exchange Act”), and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], as alleged in the Complaint.

7. Further, the Commission is entitled to a judgment barring Defendant Rowton from participating in an offering of penny stock, pursuant to Section 20(g) of the Securities Act [15 U.S.C. § 77t(g) and Section 21(d)(6) of the Exchange Act [15 U.S.C. § 78u(d)(6)].

8. The Commission is entitled to an Order requiring Defendant to disgorge an amount equal to the funds and benefits Defendant obtained illegally as a result of the violations alleged herein, plus prejudgment interest on that amount. The Commission may quantify this relief through submission of an application after entry of this Order.

9. The Commission is entitled to an Order requiring Defendant to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Commission may quantify this relief through submission of an application after entry of this Order.

On the basis of the foregoing findings of fact and conclusions of law,

IT IS THEREFORE ORDERED:

I.

A. Defendant Rowton, his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Sections 5(a) and 5(c) of the Securities Act, [15 U.S.C. §§ 77e(a) and (c)], by:

(1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security through the use or medium of any prospectus or otherwise; or

(2) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, a security for the purpose of sale or for delivery after a sale, unless a registration statement is in effect as to that security; or

(3) 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 any security unless a registration statement has been filed with the Securities and Exchange Commission as to that security or while the registration statement is the subject of a refusal order or a 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].

B. Defendant Rowton, his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, 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:

- (1) to employ any device, scheme, or artifice to defraud;
- (2) to make 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
- (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

C. Defendant Rowton, his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), by 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, directly or indirectly:

- (1) to employ any device, scheme, or artifice to defraud;
- (2) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

D. Defendant Rowton is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

II.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its Complaint.

III.

The Commission shall, with notice to Defendant Rowton, submit an application to this Court setting out an appropriate disgorgement amount and an amount appropriate for civil penalties.

IV.

This Order may be served upon Defendant Rowton in person, by electronic mail or by certified mail, either by the United States Marshal, the Clerk of the Court, or any member of the staff of the United States Securities and Exchange Commission.

V.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Order pursuant to Fed.R.Civ.P., Rules 58 and 79.

SIGNED this 11th day of Oct, 2006.


UNITED STATES DISTRICT JUDGE