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U.S. DISTRICT COURT

OFFICE OF JUDGE FILED
IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

MAR 25 1998

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DISTRICT OF UTAH

SECURITIES AND EXCHANGE COMMISSION

BY: NO. 2:96CV 0220 S

Plaintiff,

v.

INVESTORS DYNAMICS
CORPORATION and
STEVEN L. DOWN

Defendant.

FINAL JUDGMENT OF
PERMANENT
INJUNCTION AGAINST
STEVEN L. DOWN

Plaintiff, the Securities and Exchange Commission ("Commission"), has duly commenced this action by filing a Complaint for Permanent Injunction and Other Equitable Relief ("Complaint") in this matter. Defendant Steven L. Down ("Down") has admitted the jurisdiction of this Court over him and the subject matter of this action, has waived a trial on the merits of the Complaint, has waived the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying the allegations of the Complaint except as to the jurisdiction of the Court, has consented in the Consent annexed hereto and incorporated herein to the entry of this Judgment of Permanent Injunction ("Judgment") against him, as requested in the Complaint, permanently restraining and enjoining him from engaging in acts and practices which constitute and will constitute violations of Sections 5(a), 5(c), and 17(a)(1), (2), or (3) of the Securities Act of 1933, as amended [15 U.S.C. §§ 77e(a), 77e(c), and 77(q)(a)(1), (2), and (3)], or

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Deputy Clerk

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violations of Section 10(b) of the Securities Exchange Act of 1934, as amended [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. It appearing that the Court has jurisdiction over the Defendant and the subject matter and being fully advised in the premises and there being no just reason for delay:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Down and his officers, agents, servants, employees and attorneys, and all persons acting in concert or participation with him, who receive actual notice of this Order by personal service or otherwise, and each of them, are temporarily 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 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 of 1933, as amended [15 U.S.C. § 77h]; in violation of Sections 5(a) or 5(c) of the Securities Act of 1933, as amended [15 U.S.C. §§ 77e(a) or 77e(c)]; provided, however, that nothing in Part I of this Order shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act [15 U.S.C. § 77e].

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Down and his respective officers, agents, servants, employees, and those persons in active concert or participation with him, who receive actual notice of the judgment by personal service or otherwise, are permanently restrained and enjoined from, directly or indirectly, by use of the mails or any means or instrumentality of interstate commerce, in connection with the purchase, offer or sale of securities of any issuer whatsoever, employing any device, scheme or artifice to defraud, making any untrue statement of material fact or omitting to state any material fact necessary in order to make the statement made, in light of the circumstances under which

they were made, not misleading, obtaining money or property by means of any untrue statement of material fact or any omission to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person or other conduct of similar purport and object, in violation of Section 17(a)(1), (2), or (3) of the Securities Act of 1933 [15 U.S.C. § 77q(a)(1), (2), and (3)], or Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Down disgorge all sums representing commissions received from the purchase and sale of certain interests as described in the Commission's Complaint. Down, having submitted to the Commission a Sworn Statement of Financial Condition, representing his financial condition, the Court hereby orders payment by Down of the sums representing commissions. Payment of the disgorgement by Down awarded in this Judgment is, however, waived, contingent on the truthfulness of the representations in Steven L. Down's Sworn Statement of Financial Condition regarding his present financial condition. Payment of any penalty that may have been imposed is also waived. The Commission may, at any time following entry of this Judgment, petition the Court for a hearing to reconsider Steven L. Down's inability to disgorge funds or the imposition of

a penalty if the Commission obtains information from any source that Steven L. Down's Sworn Statement of Financial Condition, regarding his financial condition, was inaccurate or incomplete in any material respect. In connection with any such petition, Down will not contest the allegations set forth in the Complaint dated March 11, 1996, or the imposition of penalties or disgorgement, and the Court may consider all available remedies, including but not limited to, determining the appropriate amount of disgorgement, ordering the defendant to disgorge funds or assets, the imposition of penalties or sanctions for contempt of this Court's Judgment. Notwithstanding the foregoing, Down shall have the right to present evidence regarding his ability to pay amounts of either disgorgement or penalties and evidence regarding the amount of such disgorgement or penalties

IV.

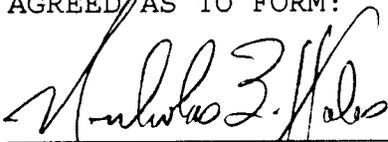
IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that this Court shall retain jurisdiction over this action for all other purposes.

DATED this 26th day of March, 1998.^{et}



United States District Court Judge

AGREED AS TO FORM:



Nicholas E. Hales
Attorney for Steven L. Down