

**UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA**

FILED

JAN 28 2002

NANCY MAYER-WHITTINGTON, CLERK
U.S. DISTRICT COURT

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

V.

DON HAYWOOD PACE,

Defendant.

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: Civ. Act. No.1:96CV02416(JR)

FINAL JUDGMENT OF PERMANENT INJUNCTION AS TO DON HAYWOOD PACE

This Court having granted summary judgment against defendant Don Haywood Pace ("Pace") in its order of November 29, 2001 and pursuant to its Memorandum of November 29, 2001 it is:

I.

ORDERED, ADJUDGED AND DECREED that Pace, his officers, agents, servants, employees and attorneys, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment of Permanent Injunction by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from, directly or indirectly, violating Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] by, in the offer or sale of any securities, using any means or instruments of transportation or communication in interstate commerce, or using the mails:

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

II.

FURTHER ORDERED, ADJUDGED AND DECREED that Pace, his agents, servants, employees, attorneys, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment of Permanent Injunction by personal service or otherwise, and each of them, be and they hereby are permanently enjoined and restrained from, directly or indirectly, violating Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder by using any means or instrumentality of interstate commerce, or the mails, or any facility of any national securities exchange:

- (A) to employ any device, scheme or artifice to defraud;
- (B) 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 light of the circumstances under which they were made, not misleading; or

(C) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,
in connection with the purchase or sale of any security.

III.

FURTHER ORDERED, ADJUDGED AND DECREED that Pace, his agents, servants, employees, attorneys, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment of Permanent Injunction by personal service or otherwise, and each of them, be and they hereby are permanently enjoined and restrained from, directly or indirectly, violating Rule 12b-20 of the Exchange Act [17 C.F.R. § 240.12b-20] by not including, in addition to the information expressly required to be included in a statement or report, such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they were made, not misleading.

IV.

FURTHER ORDERED, ADJUDGED AND DECREED that Pace, his agents, servants, employees, attorneys, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment of Permanent Injunction by personal service or otherwise, and each of them, be and they hereby are permanently enjoined and restrained from, directly or indirectly, violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record or account of any issuer which has a class of securities

registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or of any issuer that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

V.

FURTHER ORDERED, ADJUDGED AND DECREED that Pace, his agents, servants, employees, attorneys, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment of Permanent Injunction by personal service or otherwise, and each of them, be and they hereby are permanently enjoined and restrained from, directly or indirectly, violating Rule 13b2-1 of the Exchange Act [17 C.F.R. 240.13b2-1] by falsifying or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. 78m(b)(2)(A)].

VI.

FURTHER ORDERED, ADJUDGED AND DECREED that Pace, his officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of the Final Judgment of Permanent Injunction by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from, directly or indirectly, violating Section 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Rule 14a-9 promulgated thereunder [17 C.F.R. § 240.14a-9] by using the mails or any means or instrumentality of interstate commerce or any facility of a national securities exchange or otherwise, to solicit or to permit the use of their names to solicit any proxy statement, form of proxy, notice of meeting, or other communication, written or oral, containing any statement which, at the time and

in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including the implementation and enforcement of this Final Judgment of Permanent Injunction.

There being no just reason for delay, the clerk is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment of Permanent Injunction against Don Haywood Pace immediately and without further notice.



HONORABLE JAMES ROBERTSON
United States District Judge

DATED: January 28, 2002

Parties entitled to notice

William Kuehnle (D.C. Bar 7401)
Leo J. Kane (D.C. Bar No. 424726)
Attorneys for Plaintiff
Securities and Exchange Commission
450 Fifth Street, N.W. (Stop 9-11)
Washington, D.C. 20549
202-942-4678 (Kuehnle)
202-942-4766 (Kane)
202-942-9581 (fax)

Don H. Pace, pro se
P.O. Box 10537
Sedona, AZ 86339

Don H. Pace, pro se
305 Pelican Circle
Panama City Beach, FL 32413

CERTIFICATE OF SERVICE

I certify that on January 23, 2002, I served the foregoing Plaintiff Securities and Exchange Commission's Submission of a Form of Final Judgment of Permanent Injunction and the accompanying proposed Final Judgment of Permanent Injunction by first class mail, postage prepaid on:

Don H. Pace
P.O. Box 10537
Sedona, AZ 86339

Don H. Pace
305 Pelican Circle
Panama City Beach, FL 32413



Leo J. Kane