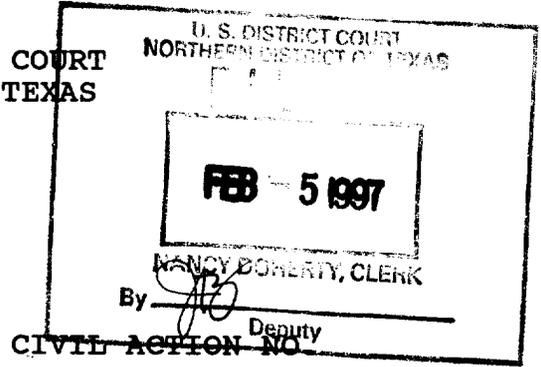


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,
v.
WALTER E. JOHNSON
AND REX SANDERS,
Defendants.

397CV0236-D

**FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION
AS TO DEFENDANT WALTER E. JOHNSON**

Plaintiff, SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"), having filed its Complaint for Permanent Injunction and Other Equitable Relief (hereinafter "the Complaint"), there having been no trial of this matter and no findings regarding the allegations contained in the Complaint; Defendant WALTER E. JOHNSON ("JOHNSON"), having acknowledged in the Stipulation and Consent, filed herein, receipt of the Complaint filed in this matter; having waived service of the Summons and Complaint; having admitted the in personam jurisdiction of this Court, and the jurisdiction of this Court over the subject matter of this action; having waived the entry of Findings of Fact and Conclusions of Law under Rule 52 of the Federal Rules of Civil Procedure with respect to the entry of this Final Judgment and Order of Permanent Injunction; having agreed, for purposes of this action only, without admitting or denying any of the allegations of the COMMISSION's Complaint, except as expressly set forth herein, to the entry of this Final Judgment and Order

enjoining JOHNSON from engaging in transactions, acts, practices and courses of business which constitute and would constitute violations of Section 17(a) of the Securities Act of 1933, as amended ("Securities Act") [15 U.S.C. § 77q(a)]; enjoining JOHNSON from engaging in violations of Section 10(b) of the Securities Exchange Act of 1934, as amended ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; and further ordering JOHNSON to pay a penalty of \$79,000.00. It further appearing that this Court has jurisdiction over JOHNSON and the subject matter of this action; it appearing that no further notice of hearing for the entry of this Final Judgment and Order need be given; the Court being fully advised in the premises, and no just reason for delay appearing:

I.

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

- a. employ any device, scheme, or artifice to defraud;
- b. 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 the light of the circumstances under which they were made, not misleading; or

- c. engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any purchaser.

II.

IT IS ORDERED, ADJUDGED AND DECREED that Defendant JOHNSON, his agents, servants, employees and attorneys, and those persons in active concert or participation with him who receive actual notice of this Final Judgment and Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly violating Section 10(b) of 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, to:

- a. employ any device, scheme, or artifice to defraud;
- b. 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. 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.

IT IS ORDERED, ADJUDGED AND DECREED that JOHNSON shall pay a penalty totalling \$79,000.00, pursuant to the Insider Trading Sanctions and Fraud Enforcement Act, Section 21A(a) of the Exchange Act [15 U.S.C. §78u-1(a)], to be paid in full within ten days of the entry of this Final Judgment and Order. Such payment shall be made by check payable to the "Securities and Exchange Commission" and transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies JOHNSON, the caption and case number of this action and the name of this Court. Copies of such check and accompanying cover letter shall be simultaneously transmitted to Hugh M. Wright, Assistant District Administrator, Enforcement, Fort Worth District Office, 801 Cherry Street, 19th Floor, Fort Worth, Texas 76102. At such time as said funds are transmitted to the Comptroller, JOHNSON relinquishes all legal and equitable right, title and interest in the funds, and no part of said funds shall be returned to JOHNSON or his affiliates, heirs, successors or assigns.

IV.

IT IS ORDERED, ADJUDGED and DECREED that this Court shall retain jurisdiction of this action for all purposes.

**FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION
AS TO DEFENDANT WALTER E. JOHNSON**

VII.

This Final Judgment and Order shall be binding on Defendant JOHNSON and upon those persons in active concert or participation with him who receive actual notice of the Final Judgment and Order, a copy of which may be served in person, by mail, or by any officer of the COMMISSION.

VIII.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment and Order pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 5th day of February, 1997.


UNITED STATES DISTRICT JUDGE