

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

FILED
AUG 27 1997

SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street, N.W.
Washington, D.C. 20549,

Plaintiff,

v.

TIMOTHY ROSS,
DOUGLAS COATES and
JOHN D. PECKSKAMP, JR.

Defendants.

CIVIL ACTION NO. C-97-770
Judge Weber

4815
Docketed

FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER RELIEF AS TO DOUGLAS COATES

Plaintiff Securities and Exchange Commission ("Commission")
having commenced this action by filing its Complaint
("Complaint"), and defendant DOUGLAS COATES ("COATES") having in
his Consent of Douglas Coates ("Consent"), which was filed
simultaneously with this Final Judgment of Permanent Injunction
and Other Relief as to Douglas Coates ("Final Judgment") and
incorporated herein by reference, entered a general appearance,
admitted the jurisdiction of this Court over him and the subject
matter of this action, waived the filing of an answer to the
Complaint and the entry of findings of fact and conclusions of
law pursuant to Rule 52 of the Federal Rules of Civil Procedure,
and, without admitting or denying the allegations of the
Complaint, except as to jurisdiction, which he admits, consented
to the entry of this Final Judgment, and it appearing that this

6

Court has jurisdiction over COATES and the subject matter hereof, and the Court being fully advised in the premises:

I.

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

- (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 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 transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that COATES, his agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual

notice of this Final Judgment by personal service or otherwise, are hereby permanently enjoined and restrained from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder by, directly or indirectly, using any means or instrumentality of interstate commerce, or the mails, or any facility of any national securities exchange:

- (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, in connection with the purchase or sale of any security.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that COATES, his agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are hereby permanently enjoined and restrained from violating Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1] by, directly or indirectly, 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)].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that COATES shall disgorge \$155,000 in losses avoided as a result of his sales of Future Healthcare, Inc. common stock on or about November 18, 1994, plus prejudgment interest thereon. Based upon COATES's sworn representations in his Statement of Financial Condition submitted to the Commission, payment of all but \$25,000 of the disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition. COATES shall satisfy this disgorgement obligation of \$25,000 by paying at least \$10,000 within thirty (30) days of the entry of this Final Judgment, and the balance remaining no later than eighteen months from the entry of this Final Judgment. Payment shall be made in the following manner:

- (a) such monies shall be paid into this Court's registry by certified check or money order drawn to the order of "Clerk, United States District Court, Southern District of Ohio," whereupon the Clerk of this Court, or the Financial Deputy Clerk, is hereby directed to deposit said certified check or money order into an interest bearing account ("Account") with the Court Registry Investment System ("CRIS");
- (b) simultaneously with payment, COATES shall send copies of any certified checks or money orders to Elizabeth P. Gray, Branch Chief, Division of Enforcement, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail

Stop 4-4, Washington, D.C. 20549, under cover letter identifying Douglas Coates as the defendant in this action, the case number of the action, the name of the Court, and the Commission's file number;

- (c) the Account shall be held by CRIS until further order of the Court, and distributed pursuant to a Court-approved plan to be proposed by the Commission, but in no event shall the monies disgorged revert, directly or indirectly, to COATES, his heirs or assigns;
- (d) interest earned on the Account shall be credited to the Account and shall thereafter be treated in the same manner as principal; and
- (e) the Clerk of the Court is directed to deduct from the income earned on the investment a fee, not exceeding that authorized by the Judicial Conference of the United States and set by Director of the Administrative Office at or equal to 10% of the income earned in the investment so held and without further order of the Court.

COATES shall also pay postjudgment interest, as calculated pursuant to 28 U.S.C. § 1961⁴, on any amount of these disgorgement obligations that remains outstanding after it is due.

v.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon COATES' sworn representations in his Statement of Financial Condition submitted to the Commission, civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Sections 21(d) and 21A(a) of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1(a)] shall not be imposed. The determination not to impose a civil penalty is contingent upon the accuracy and completeness of the his Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that COATES' representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to COATES, petition this Court for an order requiring COATES to pay the remaining portion of the disgorgement, pre-judgment and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by COATES was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering COATES to pay funds or assets, directing the

forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. COATES may not, by way of defense to such petition, challenge the validity of his Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, contest the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Consent be, and hereby is, incorporated herein by reference with the same force and effect as if fully set forth herein.

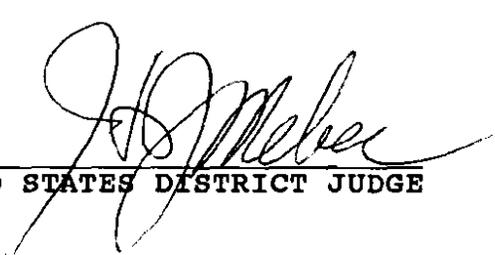
VII.

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

VIII.

There being no just cause for delay, the Clerk of the Court hereby is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

Dated: August 27, 1997


UNITED STATES DISTRICT JUDGE

Persons entitled to notice of this Order:

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