

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

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
ENTERED

APR 14 1999

MICHAEL N. ...

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

CIVIL ACTION NO.

v.

H-97-0983

ENSERCO, INC., D/B/A  
ENERGY SERVICE COMPANY,  
JOHN P. BRINK,  
ANTHONY J. LEO and  
FRANK BRAVO, JR.,

Defendants.

FINAL JUDGMENT AS TO ANTHONY J. LEO

Plaintiff, Securities and Exchange Commission ("Commission"), filed its complaint in this matter against defendant Anthony J. Leo ("Leo") on March 27, 1997. On December 16, 1997, this Court entered an Order of Permanent Injunction and Other Equitable Relief by Default as to Anthony J. Leo ("Default Judgment"), pursuant to Rules 55 and 65 of the Federal Rules of Civil Procedure.

In the Default Judgment, this Court found that Leo had, among other things, violated Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), as amended [15 U.S.C. §§ 77e(a), 77e(c), and 77q(a)], and Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 ("Exchange Act"), as amended [15 U.S.C. §§ 78j(b) and 78o((a)(1))] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. (Default Judgment ¶6). Furthermore, this Court found Leo's violations of Section 17(a) of the Securities Act, and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, involved "fraud, deceit and a deliberate or reckless disregard of regulatory requirements," and "directly or indirectly resulted in substantial losses to investors or, at least,

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created a significant risk of substantial losses to investors.” (Default Judgment ¶8). Accordingly, the Court held that the Commission was entitled to seek assessment of a civil penalty against the defendant under, *inter alia*, Section 20(d) of the Securities Act and Section 21d(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. (Default Judgment ¶8).

The Commission now requests, based on the Court’s findings in the Default Judgment, that a civil penalty in the amount of \$100,000 be assessed against Leo pursuant to Section 20(d) of the Securities Act and Section 21d(3) of the Exchange Act. Appearing that no further notice of hearing for the entry of this Final Judgment is necessary, and with the Court being fully advised in the premises:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

I.

A civil penalty in the amount of \$100,000 shall be imposed on Leo in accordance with Section 20(d) of the Securities Act of 1933 Section 21d(3) of the Exchange Act. Within 20 days of receipt of this Final Judgment, defendant Leo shall make payment of \$100,000. That payment must be in the form of a cashiers check, certified check or postal money order, and made payable to the Securities and Exchange Commission under cover of a letter that identifies Leo, the caption and case number of this action, and the name of this Court. The payment and accompanying cover letter shall be transmitted to Harold F. Degenhardt, District Administrator, Securities and Exchange Commission, Fort Worth District Office, 801 Cherry Street, 19th Floor, Fort Worth, Texas 76102. Once defendant Leo makes payment of these funds, he relinquishes all legal and equitable right, title and interest in those funds and no part of such funds shall be returned to Leo or to his affiliates, heirs, successors or assigns.

II.

Leo shall continue to be permanently enjoined from violations of the provisions of the federal securities laws and subject to the disgorgement order in the amount of \$224,066.60, plus

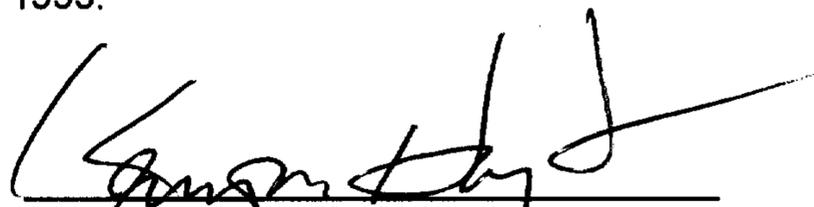
Injunction and Other Equitable Relief by Default as to Anthony J. Leo entered December 16, 1997.

This Court shall retain jurisdiction of 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.

III.

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

SIGNED this 14<sup>th</sup> day of April, 1999.



UNITED STATES DISTRICT JUDGE