

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

FILED

JUL 22 1997

LARRY W. PROPPS, CLERK
COLUMBIA, S. C.

Entered: 7-22-97

Civil Action File

No. 3: 97-2193-0

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

POLICY MANAGEMENT SYSTEMS
CORPORATION, GEORGE LARRY WILSON,
ROBERT L. GRESHAM, JAMES P. BROWN,
DAVID T. BAILEY, and BERNARD MAZON,

Defendants.

FINAL JUDGMENT OF PERMANENT INJUNCTION

Plaintiff Securities and Exchange Commission ("Commission") having filed its complaint herein; and defendants Policy Management Systems Corporation ("PMSC"), George Larry Wilson ("Wilson"), Robert L. Gresham ("Gresham"), James P. Brown ("Brown"), David T. Bailey ("Bailey") and Bernard Mazon ("Mazon") having entered general appearances; having admitted the jurisdiction of this Court over them and over the subject matter of this action; having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure with respect to the relief granted in this Order, solely for the purposes of this proceeding and any other proceeding brought by or on behalf of the Commission or to which the Commission is a party, and without denying or admitting any of the allegations of the Complaint, except as to jurisdiction which they admit, and having agreed to the entry of this Order; and the Court being fully advised in the premises:

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I.

IT IS ORDERED that defendants PMSC, Wilson, Gresham and Brown, their officers, agents, servants, employees, attorneys in fact and all persons in active concert or participation with them who receive actual notice of this order of injunction by personal service or otherwise, and each of them, be and hereby are permanently enjoined from violating Sections 13(a) and 13(b)(2)(A) and (B) of the Exchange Act [15 U.S.C. §§78m(a) and 78m(b)(2)(A) and (B)] and Rules 13a-1, 13a-13, and 12b-20 thereunder [17 C.F.R. §§240.13a-1, 240.13a-13, and 240.12b-20] promulgated thereunder by directly or indirectly:

- (a) filing or causing to be filed with the Commission any report required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and the rules and regulations promulgated thereunder, which contains any untrue statement of material fact, which omits to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or which omits to disclose any information required to be disclosed; or
- (b) failing to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of its assets; or
- (c) failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted

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accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization; and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

II.

IT IS FURTHERED ORDERED that defendants Wilson, Gresham, Brown, Bailey and Mazon, their officers, agents, servants, employees, attorneys in fact and all persons in active concert or participation with them who receive actual notice of this order of injunction by personal service or otherwise, and each of them, be and hereby are permanently enjoined from violating Section 13(b)(5) of the Exchange Act [15 U.S.C. §78m(b)(5)] and from violating Rules 13b2-1 and 13b2-2 [17 C.F.R. §§240.13b2-1 and 240.13b2-2] thereunder by, directly or indirectly:

- (a) knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. §78m(b)(2)]; or
- (b) 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)]; or
- (c) making or causing to be made a materially false or misleading statement; or omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with (1) any

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audit or examination of the financial statements of the issuer required to be made pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and the rules and regulations promulgated thereunder or (2) the preparation or filing of any document or report required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and the rules and regulations promulgated thereunder.

III.

IT IS FURTHER ORDERED that pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)] defendant PMSC shall pay civil monetary penalties in the amount of \$1,000,000. The Court hereby orders payment by PMSC of the sum of \$1,000,000 within 60 days of the entry of this judgment by check payable to the "U.S. Securities and Exchange Commission." Such payment shall be sent to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies Policy Management Systems Corporation, the caption and case number of this action and the name of this Court. Copies of such check and accompanying letter shall be simultaneously transmitted to Richard P. Wessel, District Administrator, Atlanta District Office, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232.

IV.

IT IS FURTHER ORDERED that pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)] defendants Wilson, Gresham, Brown, Bailey and Mazon each shall pay civil monetary penalties in the amount of \$20,000. The Court hereby orders payment by Wilson, Gresham,

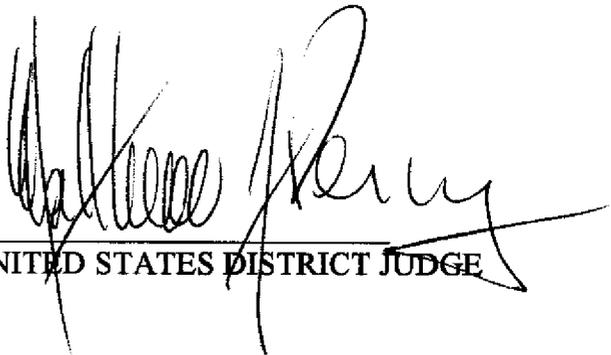


Brown, Bailey and Mazon of the sum of \$20,000 each within 60 days of the entry of this judgment by check payable to the "U.S. Securities and Exchange Commission." Each such payment shall be sent to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of letter that identifies the defendant, the caption and case number of this action and the name of this Court. Copies of each such check and accompanying cover letter shall be simultaneously transmitted to Richard P. Wessel, District Administrator, Atlanta District Office, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232.

V.

IT IS FURTHER ORDERED that defendants PMSC, Wilson, Gresham, Brown, Bailey and Mazon shall comply in all respects with the terms of their Consents filed in this civil action, a copy of each of which is attached hereto.

Dated: July 22, 1997.


UNITED STATES DISTRICT JUDGE