

UNITED STATES DISTRICT COURT
for the
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

v.

RONALD J. MITCHELLETTE AND
ROBERT HARDY,

Defendants.

Plaintiff,) CIVIL ACTION NO:
) 97-8064-CIV-HURLEY

APR 14 1998

U.S. DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

FILED by *[Signature]* D.C.

APR 9 1998

CARLOS JUENKE
CLERK U.S. DIST. CT.
S.D. OF FLA. - W.P.B.

**FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF**

Defendant Robert Hardy ("Hardy") by the Consent annexed hereto, without admitting or denying any of the allegations in the Commission's Complaint, except that he is admitting the allegation as to the jurisdiction over him of this Court and over the subject matter of this action, has agreed to the entry of this Final Judgment Of Permanent Injunction And Other Relief ("Final Judgment"). This Court having accepted such Consent and having jurisdiction over Defendant Hardy and the subject matter hereof, and the Court being fully advised in the premises.

1.

**FRAUD IN VIOLATION OF SECTION 17(a)(1)
OF THE SECURITIES ACT**

IT IS HEREBY ORDERED that Hardy, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly employing any devices, schemes or artifices to defraud purchasers of such securities in violation of Section 17(a)(1) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a)(1).

[Handwritten signatures and initials over the bottom right corner]

II.

FRAUD IN VIOLATION OF SECTIONS 17(a)(2) AND 17(a)(3)
OF THE SECURITIES ACT

IT IS HEREBY FURTHER ORDERED that Hardy, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in connection with the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly

- (1) obtaining money or property by means of untrue statements of 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
- (2) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchasers

in violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(2) and 77q(a)(3).

III.

FRAUD IN VIOLATION OF SECTION 10(b) OF
THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER

IT IS HEREBY FURTHER ORDERED that Hardy, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in connection with the purchase or sale of any security by use of any means or instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange, be and they hereby are, restrained and enjoined from, directly or indirectly, or as a control person under Section 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"):

1. employing any device, scheme, or artifice to defraud;
2. making any untrue statement of a material fact or omitting 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

3. engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of 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.

IV.

INCORPORATION OF CONSENT

IT IS HEREBY FURTHER ORDERED that Defendant Hardy shall comply with the provisions of the Consent attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

V

DISGORGEMENT AND PENALTIES

IT IS FURTHER ORDERED that Defendant pay disgorgement in the amount of \$19,200 representing his gains from the conduct alleged in the Complaint, plus pre-judgment interest. Based upon Defendant's sworn representations in his Statement of Financial Condition dated July 11, 1997, and submitted to the Commission, payment of all but \$5,000 in disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition, for which let execution issue. Based upon Defendant Hardy's sworn representations in his Statement of Financial Condition dated July 11, 1997, and submitted to the Commission, the Court is not ordering him to pay a civil penalty pursuant to Section 20 (d) of the Securities Act, 15 U.S.C. §77t (d) and Section 21 (d) (3) of the Exchange Act, 15 U.S.C. §78 (d) (3). The determination not to impose a civil penalty and to waive payment of disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of his Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's 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 Defendant, petition this Court for an order requiring

Defendant to pay \$19,200 in 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 Defendant 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 Defendant 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. Defendant 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.

ACCOUNTING

IT IS FURTHER ORDERED that Defendant Hardy, within 30 days of the date of this order, shall provide an accounting of all proceeds received, directly or indirectly, as a result of the scheme described in the Complaint.

VII.

NOTICES

IT IS HEREBY FURTHER ORDERED that, in the event Defendant Hardy becomes unrepresented by counsel in this action, Defendant Hardy shall provide the Commission, at all times during the pendency of this action, with his current address for purposes of service of filings and other communications. Such notice shall be provided in writing to Regional Director, Securities and Exchange Commission, 1401 Brickell Avenue, Suite 200, Miami, Florida 33131. Should Defendant Hardy fail to provide such notice, service by mail at Defendant Hardy's last known address shall be deemed proper service.

VIII.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that, this Court will retain jurisdiction over this matter and Defendant Hardy in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and such other relief this Court deems appropriate.

DONE AND ORDERED at 4:30 o'clock. P m. this 96 day of April, 1998, at

West Palm Beach, Florida.

Michael J. Harder
UNITED STATES DISTRICT JUDGE

cc:

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