

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION

FILED
APR 23 1999
CLERK, U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS
BY AS
DEPUTY CLERK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

SCOTT F. KLION, individually and
d/b/a as CEN-TEX ALCHEMY GUILD,
and ELIZABETH ALANIZ

Defendants.

CIVIL ACTION NO.
62:98-CA-186

FINAL JUDGMENT

On March 22, 1999, this Court directed entry of findings of fact and conclusions of law holding that defendant Scott F. Klion ("Klion"), individually and doing business as Cen-Tex Alchemy Guild ("Cen-Tex"), and defendant Elizabeth Alaniz ("Alaniz"). This Court held that these defendants had violated provisions of the federal securities laws, and, unless enjoined, would violate such provisions in the future; that these defendants had profited by reason of their unlawful activities, and should disgorge the proceeds of their scheme; and that the defendants should pay a civil money penalty, to deter them and others from engaging in similar violative activities in the future. The Commission has, by application, with notice to Klion and Alaniz, requested this Court direct entry of this Final Judgment, based on these findings and conclusions, in accordance with Fed. Rules Civ. Proc., rules 54 and 58.

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For good cause shown, the Commission's application is hereby granted, and the Clerk of this Court is directed to enter this Final Judgment. The findings and conclusions previously made by this Court are incorporated herein as if set forth here verbatim. This Court has in personam jurisdiction over Klion and Alaniz, and subject matter jurisdiction over the cause of action claimed by the Commission. No further notice or hearing is required prior to entry of this Final Judgment and there is no just reason for delay. Furthermore, it appears the Court has been fully advised of the premises for entry of this Final Judgment.

IT IS THEREFORE ORDERED:

I.

Klion and Alaniz, and their agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently restrained and enjoined, directly or indirectly, in connection with the purchase or sale of securities, from making use of any means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange:

- a.) to employ devices, schemes and artifices to defraud;
- b.) to make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c.) to engage in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons,

in connection with the purchase and sale of securities.

II.

Klion and Alaniz, and their agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined, in the offer or sale of securities, from making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, directly or indirectly:

- a.) to employ devices, schemes or artifices to defraud;
- b.) to obtain money or property by means of untrue statements of material fact or omissions to state material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and
- c.) to engage in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

III.

All of Klion's or Alaniz' right, title or interest in any funds or properties held by the Temporary Receiver are hereby terminated, and such funds, or the proceeds from such properties, shall be distributed by the Temporary Receiver to the Cen-Tex investors, pursuant to subsequent order of this Court. In addition, Klion and Alaniz, jointly and severally, shall pay disgorgement in the amount of \$1,172,759.21, representing their net gains from their unlawful activities with prejudgment interest. Such disgorgement shall be

paid to the Temporary Receiver, and shall be distributed by the Temporary Receiver to the Cen-Tex investors, pursuant to subsequent order of this Court. Interest shall accrue on the unpaid balance of such disgorgement amount from the date of entry of this Final Judgment, in accordance with 28 U.S.C. § 1961.

IV.

Klion and Alaniz shall each pay a civil money penalty to the United States Treasury, in the amount of \$110,000.

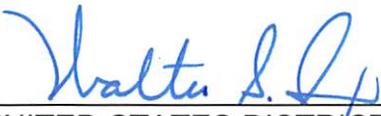
V.

This Court shall retain jurisdiction over this matter and over Klion and Alaniz for purposes of enforcing the terms of this Final Judgment and for all other purposes.

VI.

This Final Judgment may be served upon Klion or Alaniz in person or by mail either by the United States Marshal, by the Clerk of the Court, by the Temporary Receiver or persons employed by him, or by any member of the staff of the Commission.

SIGNED this 23rd day of April, 1999.


UNITED STATES DISTRICT JUDGE