

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

FILED
OCT - 7 1999
NANCY DOHERTY, CLERK
By _____ Deputy

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ACCELERATED FUNDING MORTGAGE CORP.,
LAUREN D. BAUMANN, BALI FINANCIAL, INC.,
and ODYSSEY FINANCIAL GROUP, Inc.

Defendants,

and

BALANCE ENTERPRISES, L.L.C., and
BALANCE ENTERPRISES, J.V.

Defendants Solely for
Equitable Relief.

Civil Action No.
3:98-CV-2318-L

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ENTERED ON DOCKET
OCT - 8 1999
U. S. DISTRICT CLERK'S OFFICE

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
EQUITABLE RELIEF AGAINST LAUREN D. BAUMANN**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint in this matter and defendant Lauren D. Baumann ("Baumann"), through her Stipulation and Consent ("Consent"), having admitted service of the of the Summons and Complaint, having admitted the jurisdiction of this Court over her, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having entered into her Consent voluntarily, no threats, promises of immunity or assurances having been made by the Commission or by any of its members, officers,

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agents or representatives to induce Lauren Baumann to enter into her Consent, having consented, without admitting or denying any of the allegations in the Commission's Complaint, except as to jurisdiction as set forth above, to entry without further notice of this Final Judgment of Permanent Injunction and Other Equitable Relief ("Final Judgment") enjoining defendant Baumann from engaging in transactions, acts, practices and courses of business which constitute and would constitute violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), [15 U.S.C. § 77(q)(a)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), [15 U.S.C. §78j(b)], and Rule 10b(5) thereunder [17 C.F.R. §240.10b-5]; and it further appearing that this Court has jurisdiction over defendant Baumann and over the subject matter of this action and that no further notice of hearing for the entry of this Final Judgment need be given; and the Court being fully advised in the premises:

I.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that defendant Lauren Baumann, her agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with her 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, in the form of notes, investment contracts, or any other security, 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 any device, scheme or artifice to defraud;

- (b) to make any untrue statement of a material fact or 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
- (c) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Lauren Baumann, her agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with her 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, in the form of notes, investment contracts, or any other security, 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 any device, scheme or artifice to defraud;
- (b) 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
- (c) to engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any purchaser.

penalty

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Baumann shall pay disgorgement in the amount of \$ 1,350,000.00, representing her gains from the conduct alleged in the Complaint, plus prejudgment interest thereon in the amount of \$168,923.99. Based upon Defendant Lauren Baumann's sworn representations in her Sworn Statement of Financial Condition dated January 8, 1999, and submitted to the Commission, payment of all the disgorgement and prejudgment interest thereon is waived, contingent upon the accuracy and completeness of her Sworn Statement of Financial Condition.

IV.

IT IS FURTHER ORDERED that based upon defendant Baumann's sworn representations in her Sworn Statement of Financial Condition dated January 8, 1999, and submitted to the Commission, the Court is not ordering her to pay a civil money pursuant to the provisions of Section 20(d) of the Securities Act of 1933,[15 U.S.C. §77t(d)], and Section 21(d)(3) of the Securities Exchange Act of 1934,[15 U.S.C. §78u(d)(3)]. The determination not to impose a civil penalty and to waive payment of the disgorgement amount and of prejudgment interest thereon is contingent upon the accuracy and completeness of defendant Baumann's Sworn Statement of Financial Condition. If at any time following the entry of this Final Judgment, the Commission obtains information indicating that defendant Lauren Baumann's representations to the Commission concerning her 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 Baumann, petition this

Court for an order requiring Baumann to pay the disgorgement amount, plus prejudgment interest, of \$1,518,923.99, 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 Baumann 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 Baumann to turn over funds and assets, directing the forfeiture of any assets, or sanctions for contempt of the Final Judgment, and the Commission may also request additional discovery. Defendant Lauren Baumann may not, by way of defense to such petition, challenge the validity of her Consent or this Final Judgment, contest the allegations in the Complaint filed by the Commission or the amount of disgorgement and interest, or assert that disgorgement or payment of a civil penalty should not be ordered.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Consent filed herein be, and the same is hereby, incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action and over defendant Lauren Baumann for all purposes, including for purposes of enforcing the terms of this Final Judgment.

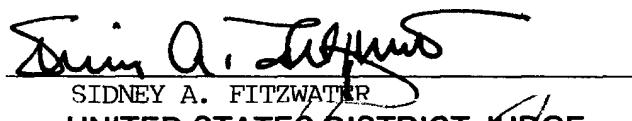
VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Final Judgment may be served upon defendant Baumann in person or by mail either by the United States Marshal, by the Clerk of the Court or by any member of the staff of the Commission.

VIII.

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

SIGNED this 7th day of October, 1999.



SIDNEY A. FITZWATER
UNITED STATES DISTRICT JUDGE

Agreed as to Form and Substance:



LAUREN D. BAUMANN

Approved as to Form:



Wm. Kim Wade, Esq.

Texas Bar No. 20642100

Attorney for Defendant Lauren D. Baumann

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