

ORIGINAL

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

FILED

MAY 28 1999

LARRY PROPPES, CLERK  
CHARLESTON, SC

CIVIL ACTION FILE NO. SC

2:98-1913-23

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GREEN OASIS ENVIRONMENTAL, INC.,  
WILLIAM D. CARRAWAY, RAYMOND C.  
O'BRIEN and RONALD V. REECE,

Defendants,

and

MARY ANN CARRAWAY,

Relief Defendant.

ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF  
AS TO DEFENDANT RAYMOND C. O'BRIEN

Plaintiff Securities and Exchange Commission ("Commission")  
having filed its complaint herein, and defendant Raymond C.  
O'Brien ("O'Brien") having entered a general appearance, having  
admitted the jurisdiction of this Court over him and over the  
subject matter of the action, having waived entry of findings of  
fact and conclusions of law under Rules 52 and 65 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 admitting or denying  
any of the allegations of the Complaint, except as to jurisdiction

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34

which he admits, and having agreed to the entry of this Order; and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED that defendant O'Brien as well as his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this order by personal service, facsimile transmission or otherwise, and each of them, be and hereby are hereby permanently enjoined from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. 77q(a), by, directly or indirectly, through the use of any means or instrument of transportation and communication in interstate commerce, or of the mails,

- a. employing any device, scheme, or artifice to defraud;
- b. obtaining 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. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser,

in the offer or sale of any security.

2  
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II.

IT IS FURTHER ORDERED that defendant O'Brien as well as his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this order by personal service, facsimile transmission or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. 78j(b), and Rule 10b-5, 17 C.F.R. 240.10b-5, promulgated thereunder by, directly or indirectly, through the use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national securities exchange,

- a. employing any device, scheme, or artifice to defraud;
- b. making any untrue statement of a material fact or omitting 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. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of any security.

3  
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III.

IT IS FURTHER ORDERED that defendant O'Brien as well as his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this order by personal service, facsimile transmission or otherwise, and each of them, be and hereby are permanently enjoined and restrained from, directly or indirectly:

(1) making use of any means or instruments of transportation or communication in interstate commerce or of use of the mails to sell any securities through the use of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such securities;

(2) carrying securities or causing them to be carried through the mails or in interstate commerce, by means or instruments of transportation, for the purpose of sale or delivery after sale, unless and until a registration statement is in effect with the Commission as to such securities;

(3) making use of any means or instruments of transportation or communication in interstate commerce or of use of the mails to offer to sell or offer to buy, through the use or medium of any prospectus or otherwise, any interest in securities, unless and until a registration statement is

4  
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filed with the Commission as to such security, or while a registration statement filed with the Commission as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. 77h, in violation of Sections 5(a) and 5(c) of the Securities Act U.S.C. 77e(a) and 77e(c). Provided, however, that nothing in the foregoing portion of the Order shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act, 15 U.S.C. 77e.

IV.

IT IS HEREBY ORDERED that defendant O'Brien as well as his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this order by personal service, facsimile transmission or otherwise, and each of them, be and hereby are hereby permanently enjoined from violating Section 17(b) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. 77q(b), by the use of any means or instruments of transportation or communication in interstate commerce, or by use of the mails, publishing, giving publicity to, or circulating any notice, circular, advertisement, newspaper, article, letter, investment

5  
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service, or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

V.

IT IS FURTHER ORDERED that, defendant O'Brien, his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order, and each of them, be and hereby are permanently enjoined and restrained from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by directly or indirectly engaging in business as a broker and making use of the mails and instrumentalities of interstate commerce to effect transactions in or to induce or attempt to induce the purchase and sale of securities in the form of common stock (other than an exempted security or commercial paper, banker's acceptances or commercial bills), otherwise than on a national securities exchange, when not registered with the Commission as a broker in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

6  
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VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the amount of disgorgement to be ordered against Defendant O'Brien shall be \$892,761 representing the proceeds he raised from the sale of Green Oasis shares as set forth in the scheme outlined in the Commission's complaint in violation of the securities laws, plus prejudgment interest thereon. The calculation of prejudgment interest O'Brien is ordered to pay is computed at the Internal Revenue Service rate for unpaid taxes. It is provided, however, that the payment of disgorgement and prejudgment interest is waived based upon Defendant O'Brien's inability to pay said amounts. This waiver is conditioned on Defendant O'Brien's having stated fully and truthfully in all respects the information concerning his financial condition contained in the Statement of Financial Condition executed under oath by O'Brien on February 23, 1999 and submitted to the Commission thereafter and filed with his consent to this judgment. Plaintiff Commission, at any time following the entry of this Order, may petition the Court for a hearing to reconsider Defendant O'Brien's inability to disgorge funds if the Commission obtains information from any source that defendant O'Brien's statements made to the Commission regarding his financial condition were inaccurate or incomplete in any material respect. In connection with any such petition, if it

7  
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determines that the Statement of Financial Condition was materially false, the Court will order O'Brien to pay the above disgorgement amount, plus prejudgment interest, to the extent he is able to do so, direct the forfeiture of any concealed assets or impose sanctions for contempt of this Court's order. Upon a proper showing to the Court and upon proper notice given, the Commission may continue to take discovery as it deems appropriate with respect to O'Brien's financial condition.

VII.

IT IS FURTHER ORDERED that the Court is not ordering defendant O'Brien to pay a civil penalty. The Court's determination that defendant O'Brien has demonstrated an inability to pay a civil penalty is conditioned on the accuracy and completeness of his sworn representations to the Commission concerning his financial condition. If, at any time, following the entry of the final judgment by the Court, the Commission obtains information that defendant O'Brien's representations to the Commission contained misrepresentations or material omissions, the Commission may petition the Court for an order and upon proper notice given, and the Court may require defendant O'Brien to pay a civil penalty for the violations of the federal securities laws alleged by the Commission in its Complaint. In its petition, the Commission may upon proper showing, also request additional

8  
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discovery and/or seek additional remedies. Defendant O'Brien may not, by way of defense to such petition, contest the allegations in the Complaint filed by the Commission or assert that a civil penalty should not be ordered by the Court for the violations of the federal securities laws alleged therein.

VIII.

IT IS FURTHER ORDERED that, pending final determination as to all of the parties to this action, defendant O'Brien as well as his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this order by personal service, facsimile transmission or otherwise, and each of them, are hereby enjoined from destroying, mutilating, concealing, altering, or disposing of any document referring or relating in any manner to any defendants herein. As used in this order, "document" means the original and all non-identical copies (whether non-identical because of handwritten notation or otherwise) and all written or graphic matter, however produced, and any other tangible record, or electronic data compilation of any sort, including, without limitation, computer disks, computer diskettes, computer tapes, correspondence, memoranda, notes, minutes, telephone records, reports, studies, telexes, diaries, calendar entries, contracts,

9  
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and letters of agreement, and including any and all existing drafts of all documents.

IX.

IT IS FURTHER ORDERED that this judgment does not resolve any claims against O'Brien which have been or may be asserted by any third parties arising from O'Brien's actions in this matter.

X.

IT IS FURTHER ORDERED that this Court retains jurisdiction of this matter for the purpose of enforcing this Order.

XI.

IT IS FURTHER ORDERED that there is no just reason for delay and the Clerk is directed to enter this judgment forthwith.

SO ORDERED, this 28<sup>th</sup> day of May, 1999.

  
Patrick Michael Duffy  
UNITED STATES DISTRICT JUDGE

10