

1 Carleasa A. Coates
2 Securities and Exchange Commission
3 450 Fifth Street, N.W.
4 Washington, D.C. 20549
5 Telephone: (202) 942-4514 (Coates)

6 Local Counsel **Priority**
7 James A. Howell (Cal. Bar No. 92724) **Send**
8 Securities and Exchange Commission **Clsd**
9 5670 Wilshire Blvd., 11th Floor **Enter**
10 Los Angeles, CA 90036 **JS-5/JS-6**
11 Telephone: (213) 965-3877 **JS-2/JS-3**
12 Attorneys for Plaintiff

FILED
CLERK, U.S. DISTRICT COURT
FEB - 1 2000
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature]

ENTERED
CLERK, U.S. DISTRICT COURT
FEB - 1 2000
CENTRAL DISTRICT OF CALIFORNIA
BY [Signature] DEPUTY

13
14 UNITED STATES DISTRICT COURT
15 FOR CENTRAL DISTRICT OF CALIFORNIA
16 WESTERN DIVISION

THIS CONSTITUTES NOTICE OF ENTRY
AS REQUIRED BY FRCP, RULE 77(d).

17 SECURITIES AND EXCHANGE COMMISSION,

CASE NO. 98-10325-NM-AAH (Mcx)

18 Plaintiff,

FINAL JUDGMENT OF
PERMANENT INJUNCTION
AS TO DAVID W. HALL

19 v.

20 DAVID W. HALL, WILLIAM A. HALL,
21 WILLIAM Y. HALL, ROBERT J. NEPRUD,
22 ALAN J. SALEM AND THOMAS W. WAGNER,

23 Defendants.

Docketed
 Copies / NTC Sent
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 CLSD

24 The Plaintiff SECURITIES AND EXCHANGE COMMISSION (the "COMMISSION"),
25 having duly commenced this action by filing its Complaint, and defendant DAVID W. HALL
26 ("HALL"), having in his CONSENT AND UNDERTAKING OF DAVID W. HALL (the
27 "CONSENT") entered a general appearance herein, having admitted the jurisdiction of this Court
28

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[Signature]

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1 over him and over the subject matter of this action, and without admitting or denying any of the
2 allegations of the Complaint, except as to jurisdiction, which he admits, and without trial,
3 argument or adjudication of any issue of fact or law, having consented to the entry of this FINAL
4 JUDGMENT OF PERMANENT INJUNCTION AS TO DAVID W. HALL (the "FINAL
5 JUDGMENT"), (i) permanently restraining and enjoining HALL from violating Sections 10(b)
6 and 14(e) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b) and
7 §78n(e)], and Exchange Act Rules 10b-5 and 14e-3 thereunder [17 C.F.R. § 240.10b-5 and 17
8 C.F.R. § 240.14e-3] thereunder, and (ii) ordering HALL to pay a total of \$60,000, representing
9 disgorgement of profits predicated on the acts alleged in the Complaint, plus prejudgment
10 interest thereon; and it further appearing that this Court has jurisdiction over HALL and the
11 subject matter hereof, and the Court being fully advised in the premises:
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14 **I.**

15 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that HALL, his agents,
16 servants, employees, attorneys and those persons in active concert or participation with them
17 who receive actual notice of the FINAL JUDGMENT, by personal service or otherwise, and each
18 of them, is permanently restrained and enjoined from violating Section 10(b) of the Securities
19 Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Exchange Act Rule 10b-5 [17
20 C.F.R. § 240.10b-5] thereunder, by, directly or indirectly, using any means or instrumentality of
21 interstate commerce, or of the mails, or of any facility of any national securities exchange to:
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- 23 (1) employ any device, scheme or artifice to defraud;
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25 (2) make any untrue statement of a material fact or to omit to state a material fact
26 necessary in order to make the statements made, in light of the circumstances
27 under which they were made, not misleading; or
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- 1 (3) engage in any act, practice, or course of business which operates or would operate
2 as a fraud or deceit upon any person, in connection with the purchase or sale of
3 any security.

4 **II.**

5 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that HALL, his agents,
6 servants, employees, attorneys and those persons in active concert or participation with them
7 who receive actual notice of the FINAL JUDGMENT, by personal service or otherwise, and each
8 of them, is permanently restrained and enjoined from violating Section 14(e) of the Exchange
9 Act [15 U.S.C. §78n(e)] and Exchange Act Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder by:
10

- 11 (1) making any untrue statement of a material fact or omitting to state any material fact
12 necessary in order to make the statements made, in light of the circumstances under
13 which they were made, not misleading, or
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15 (2) engaging in any fraudulent, deceptive, or manipulative acts or practices, in connection
16 with any tender offer or request or invitation for tenders, or any solicitation of security
17 holders in opposition to or in favor of any such offer, request or invitation.
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19 **III.**

20 **IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that
21 defendant HALL shall pay a total of \$60,000, representing disgorgement of profits predicated on
22 the acts alleged in the Complaint, prejudgment interest thereon and post-judgment interest to be
23 paid as follows: \$30,000 shall be paid within (30) days of the entry of the FINAL JUDGMENT;
24 and the remaining \$30,000 shall be paid within (18) months of the entry of the FINAL
25 JUDGMENT, plus post-judgment interest calculated at the statutory rate set forth in 28 U.S.C. §
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1 1961. Payment shall be made by U.S. Postal money order, certified check, bank cashier's check,
2 or bank money order, made payable to the "SECURITIES AND EXCHANGE COMMISSION"
3 and bearing on its face the caption "SEC v. DAVID W. HALL;" and shall be transmitted by
4 certified mail (return receipt requested) to the Comptroller, U.S. Securities and Exchange
5 Commission, Mail Stop 0-3, 450 Fifth Street, N.W., Washington, D.C. 20549; under cover of a
6 letter that identifies the defendant, the name and case number of this action, the name of this
7 Court and the COMMISSION's case number (HO-3298). A copy of the cover letter and the
8 check or money order shall be transmitted simultaneously to Gregory S. Bruch, Esq. at the U.S.
9 Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0703.
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11 **IV.**

12 **IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that
13 defendant HALL shall comply with his undertakings to cooperate with the COMMISSION and
14 its staff and truthfully disclose all information with respect to his activities and the activities of
15 others about which the COMMISSION or its staff may inquire with respect to the matters alleged
16 in the Complaint; testify in all investigations, administrative and judicial proceedings involving
17 the Commission as a party at which the COMMISSION or its staff makes requests for his
18 testimony; make himself available as may be required by the COMMISSION or its staff; produce
19 any documents within his possession, custody or control, domestic or foreign, which are
20 requested by the COMMISSION or its staff; be accompanied at any time he so desires by
21 counsel of his choice; and give truthful and accurate information and testimony and not assert
22 any evidentiary or other privilege, other than the attorney-client and work product privileges.
23 Notwithstanding the foregoing, nothing herein shall limit or otherwise affect HALL's rights
24 under the Fifth Amendment of the United States Constitution.
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V.

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2 **IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that based upon
3 HALL's sworn representations to the COMMISSION in his Statement of Financial Condition
4 dated April 20, 1998, the Court is not ordering HALL to pay a civil penalty pursuant to Section
5 21A of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)]. The determination not to
6 impose a civil penalty is contingent upon the accuracy and completeness of HALL's Statement
7 of Financial Condition, which was submitted to the COMMISSION. If at any time following
8 entry of this FINAL JUDGMENT, the COMMISSION obtains information indicating that
9 HALL's representations to the COMMISSION concerning his assets, income, liabilities, or net
10 worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the
11 time such representations were made, the COMMISSION may, at its sole discretion and without
12 prior notice to HALL, petition this Court for an order imposing a civil penalty. In connection
13 with any such petition, the only issues shall be whether the financial information provided by
14 HALL was fraudulent, misleading, inaccurate or incomplete in any material respect as of the
15 time such representations were made, and the amount of the civil penalty to be imposed. In its
16 petition, the COMMISSION may move this Court to consider all available remedies, including,
17 but not limited to, ordering HALL to pay funds or assets, directing the forfeiture of any assets, or
18 imposing sanctions for contempt of this Court's FINAL JUDGMENT, and the COMMISSION
19 may also request additional discovery. HALL may not, by way of defense to such petition,
20 challenge the validity of his CONSENT or this FINAL JUDGMENT, contest the allegations in
21 the COMPLAINT, or assert that payment of a civil penalty should not be ordered.
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23 VI.

24 **IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that the
25 annexed CONSENT be, and the same hereby is, incorporated herein by reference with the same
26 force and effect as if fully set forth herein.
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VII.

There being no just cause for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this FINAL JUDGMENT forthwith.


UNITED STATES DISTRICT JUDGE

NORA M. MANELLA

Dated: 1/31/00

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CERTIFICATE OF SERVICE

I, Carleasa A. Coates, am over the age of 18 years, not a party to this action, and am a citizen of the United States. My business address is 450 Fifth Street, N.W., Mail Stop 8-8, Washington, D.C. 20549-0808. On January 18, 2000, I caused the foregoing Final Judgment of Permanent Injunction as to David W. Hall and Consent And Undertaking of David W. Hall to be served by causing true and correct copies thereof to be mailed in sealed envelopes, postage prepaid, addressed as follows:

Greg May, Esq.
Munsch Hardt Koph & Harr, P.C.
4000 Fountain Place
1445 Ross Avenue
Dallas, Texas 75202-2790

Andrew E. Tomback, Esq.
Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005

Ira L. Sorkin, Esq.
Jonathan S. Abernathy, Esq.
Squadron, Ellenoff, Plesent & Sheinfeld LLP
551 Fifth Avenue
New York, New York 10176-0001

R. Duane Westrup, Esq.
Westrup, Klick & Associates
444 West Ocean Blvd., Suite 1614
Long Beach, California 90802-4524

Mr. William A. Hall, *pro per*
2705 Brombeck Street
Ennis, Texas 75102

Mr. William Y. Hall, *pro per*
30 Windsor Ridge
Frisco, Texas 75034-6858

1 I declare under penalty of perjury that the foregoing is
2 true and correct. Executed on January 18, 2000.

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4 *Carleasa A. Coates*
5 Carleasa A. Coates
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