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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

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U.S. DISTRICT COURT

OFFICE OF U.S. DISTRICT JUDGE
BRUCE S. JENKINS

SECURITIES AND EXCHANGE COMMISSION
DEPUTY CLERK

Case No.
2-99CV576J

Plaintiff,

v.

ALAMIN, INC., GEORGE LOUIS VAUGHN, JR., FINANCIAL
RESOURCES, and CURT EDWIN ARVIDSON

Defendants

**ORDER GRANTING
MOTION FOR
SUMMARY JUDGMENT
AND JUDGMENT OF
PERMANENT
INJUNCTION AND
OTHER RELIEF
AGAINST
DEFENDANTS ALAMIN,
INC. AND GEORGE
LOUIS VAUGHN JR.**

The Securities and Exchange Commission ("Commission") filed a Motion for Summary Judgment in this matter on July 11, 2001. No responsive pleading has been filed by the defendants in this action. The Court, having previously issued a preliminary injunction against defendants Alamin Inc. ("Alamin") and George Louis Vaughn Jr. ("Vaughn"), and having examined the pleadings, attached documents, and Memorandum in Support of Motion for Summary Judgment filed by the Commission, the Court being fully advised in the premises, finds that an Order Granting Motion for Summary Judgment and Judgment of Permanent Injunction and Other Relief should be issued against defendants Alamin and Vaughn.

In support of the entry of an Order Granting Motion for Summary Judgment and Judgment of Permanent Injunction and Other Relief Against Defendants Alamin and Vaughn, the Court makes the following findings:

1. This Court has jurisdiction over the subject matter of this action and over defendants Alamin and Vaughn.

2. Defendants Alamin and Vaughn have engaged in the offering of securities in the form of investment contracts. Alamin and Vaughn actively engaged in soliciting municipalities to invest in prime bank instruments.

3. The defendants used the mails and interstate commerce in connection with the offer of these securities.

4. Commencing in or around February, 1999, Alamin and Vaughn began soliciting municipalities to participate in the prime bank program. Alamin and Vaughn told the municipalities that their money would be deposited into a bank, and a safekeeping receipt would be issued on Alamin's behalf. The safekeeping receipt would be transferred to a trading bank in Europe who would trade on Alamin's behalf in the prime bank instruments.

5. Alamin and Vaughn told investors that they could expect a 100%-130% rate of return.

6. Defendants Alamin and Vaughn falsely represented material information to municipalities, including that:

- a. Four municipalities in California were participating in his program.
- b. The program was used by both the World Bank and the International Monetary Fund ("IMF").
- c. The trading banks would trade four times a week and that the bank could earn 30% each day, for six weeks.

- d. The Mid-Term Notes that would be traded were issued by 25 of the world's top class banks, and that they had a triple "A" S& P rating.

7. Defendants Alamin and Vaughn and their representatives solicited over 20 local governments located in Utah, Idaho, Washington, Oklahoma, Ohio, North Dakota, South Carolina, and California.

8. None of the municipalities participated in the Defendants' program.

9. Defendants Alamin and Vaughn acted knowingly and with scienter in making material misrepresentations to potential investors. The record in this matter contains numerous solicitations targeting various government officials and mayors of municipalities.

10. There is sufficient evidence to demonstrate that the Commission has made a proper showing that Alamin and Vaughn is likely to violate the federal securities laws in the future, unless permanently enjoined from doing so. Vaughn continues to claim that prime bank instruments exist. He has not demonstrated any recognition of his wrongful conduct. Alamin and Vaughn's lack of recognition that their conduct violated the federal securities laws makes it likely that they will engage in future securities violations.

11. Neither Alamin nor Vaughn has filed an Answer in this matter. No response has been filed to the Commission's Motion for Summary Judgment.

12. There is good cause to believe that, unless permanently enjoined by order of this Court, defendants Alamin and Vaughn may continue to fraudulently solicit investments from investors in violation of the federal securities laws.

Now, therefore,

I.

IT IS ORDERED, ADJUDGED, AND DECREED that defendants Alamin and Vaughn, their agents, servants, employees, attorneys-in fact, and those persons in active concert or participation with them, who receive actual notice of this Order and Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined from, directly or indirectly, in the offer or sale of any security by the use of any means or instruments of transportation, or communication in interstate commerce or by the use of the mails: (1) employing any device, scheme, or artifice to defraud; or (2) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser in violation of Section 17(a) of the Securities Act of 1933 [15 U.S.C. §77q(a)].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendants Alamin and Vaughn, their agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, who receive actual notice of this Order and Judgment by personal service or otherwise, and each of them, are permanently enjoined and restrained from, directly or indirectly, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of any prospectus or otherwise, the securities of any issuer, unless and until a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities 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 of 1933, as amended [15 U.S.C. § 77h]; in violation of Section 5(c) of the

Securities Act of 1933, as amended [15 U.S.C. 77e(c)]; provided, however, that nothing in Part II of this 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].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Vaughn and Alalmin shall be assessed and shall pay a civil penalty pursuant to Section 21(d)(3) of the Securities and Exchange Act of 1934 [15 U.S.C. 78u(d)(3) and Section 21A of the Exchange Act 15 U.S.C. 78u-1], in the amount of \$600⁰⁰. The Court hereby orders payment by Vaughn and Alamin and collection of the sum of \$500⁰⁰ within 30 days of entry of this Final Judgment by U.S. postal money order, certified check, bank cashier's check or bank money order made payable to the "Securities and Exchange Commission." Such payment shall be transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies Vaughn and Alamin, the caption and case number of this action and the name of this Court. A copy of the cover letter shall be simultaneously transmitted to Thomas M. Melton, Trial Counsel, Salt Lake District Office, 50 South Main, #500 Key Bank Tower, Salt Lake City, Utah 84144. At such time as said funds are transmitted to the SEC's Comptroller, Vaughn and Alamin relinquish all legal and equitable right, title and interest in the funds, and no part of said funds shall be returned to Vaughn and Alamin or their successors or assigns.

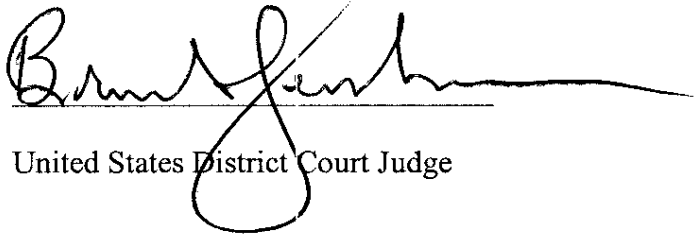
IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction over this action for the purposes of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

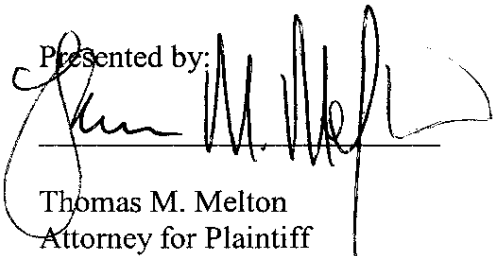
V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED there being no reason 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 Judgment forthwith and without further notice.

Dated this 13 day of August, 2001.



United States District Court Judge

Presented by: 

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ksp

United States District Court
for the
District of Utah
September 14, 2001

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:99-cv-00576

True and correct copies of the attached were either mailed or faxed by the clerk to the following:

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