

ORIGINAL

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

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
MAR 23 2000
By NANCY DOHERTY, CLERK
Deputy

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**DONALD G. BROOKS; and
BROOKS FINANCIAL PLANNING, INC.,**
a Texas corporation,

Defendants.

No. 3:99-CV1326-D

ENTERED ON DOCKET
MAR 24 2000
U.S. DISTRICT CLERK'S OFFICE

**FINAL JUDGMENT OF PERMANENT INJUNCTION
AS TO DONALD G. BROOKS**

Plaintiff SECURITIES AND EXCHANGE COMMISSION (the "COMMISSION"), having duly commenced this action by filing its AMENDED COMPLAINT FOR PERMANENT INJUNCTION (the "COMPLAINT"), and defendant DONALD G. BROOKS ("BROOKS"), having in his CONSENT entered a general appearance herein, having admitted the jurisdiction of this Court over him and over the subject matter of this action, having waived the filing of an Answer to the COMPLAINT and the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying any of the allegations of the COMPLAINT, except as to jurisdiction, which he admits, and, without trial, argument or adjudication of any issue of fact or law or the presentation of evidence to the Court, having consented to the entry of this FINAL JUDGMENT OF PERMANENT INJUNCTION (the "FINAL JUDGMENT"), permanently restraining and enjoining BROOKS from violating Section 17(a) of the

Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)]; Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder; and Sections 206 (1) and (2) of the Investment Advisors Act of 1940, [15 U.S.C. § 80b-6(1) and (2)], and it further appearing that this Court has jurisdiction over BROOKS and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that BROOKS, his officers, agents, servants, employees, attorneys-in-fact, and all those persons in active concert or participation with him who receive actual notice of the FINAL JUDGMENT by personal service or otherwise, and each of them, from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder by, directly or indirectly, using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (1) to employ any device, scheme or artifice to defraud;
- (2) to make any untrue statement of a material fact or to 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
- (3) to engage 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.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that BROOKS, his officers, agents, employees, servants, attorneys-in-fact, and all those persons in active concert or participation with him who receive actual notice of the FINAL JUDGMENT by personal service or otherwise, and each of them, be and they hereby are permanently enjoined and restrained from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by, 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;
- (2) obtaining money or property by any 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 light of the circumstances under which they were made, not misleading; or
- (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that BROOKS, his officers, agents, employees, servants, attorneys-in-fact, and all those persons in active concert or participation with it who receive actual notice of the FINAL JUDGMENT by personal service or otherwise, and each of them, be and they hereby are permanently

enjoined and restrained from violating Section 206 (1) and (2) of the Investment Advisors Act of 1940, [15 U.S.C. § 80b-6(1) and (2)] by, directly or indirectly 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 clients or prospective clients; and
- (2) engaging in transactions, practices or courses of business which operate as a fraud or deceit upon clients or prospective clients.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Brooks shall disgorge the sum of \$1,200,000, representing profits he made from the sale of certain securities as described in plaintiff COMMISSION'S amended complaint, plus prejudgment interest thereon. Brooks, having submitted to the COMMISSION sworn financial statements and a sworn accounting representing his financial inability to pay the full amount of disgorgment awarded in this Final Judgment, the Court hereby waives payment of disgorgment and prejudgment interest in the amount exceeding the funds generated by the Special Officer's sale of Brooks' assets listed in Section V, below. This waiver is contingent upon the truthfulness of the representations in BROOKS' sworn financial statement and sworn accounting given in this action. The COMMISSION may, at any time following the entry of this Final Judgment, petition the Court for a hearing to

reconsider BROOKS' inability to disgorge funds if the COMMISSION obtains information from any source indicating that BROOKS' sworn financial statements or sworn accounting were inaccurate or incomplete in any material respect. In connection with any such petition, the Court may consider all available remedies, including, but not limited to, determining the appropriate amount of disgorgement, ordering BROOKS to disgorge funds or assets, directing the forfeiture of any concealed assets, or sanctions for contempt of this Court's Final Judgment.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, in full and complete satisfaction and payment of the portion of the disgorgement amount not waived in Part IV herein, BROOKS shall, within 30 days of the entry of the Final Judgment by the Court, assign all of his rights, title and interest in the below-listed assets to the Special Officer appointed by the Court in Section VI of this Final Judgment.

(A) All personal property, other than clothing and items of personal hygiene.

(B) All interests in real property, excluding any interest in the residence currently occupied by his spouse, located at

In complying with this order to assign all his rights, title and interest to the aforementioned assets, BROOKS shall completely and fully cooperate with the Special Officer, and shall promptly provide all relevant information and execute and deliver any assignments or other documents that are necessary to carry out his obligations under this

Final Judgment. BROOKS shall notify the COMMISSION's Fort Worth District Office, in writing, upon satisfaction of his obligation under this paragraph.

Pursuant to the terms of the Consents of Sandra Puckett and Nancy Norris incorporated by reference herein, Puckett and Norris shall forthwith grant to the Special Officer appointed herein, access to and control of the property set forth in their Consents.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that

Murray W. Camp, Esq. is hereby appointed a Special Officer for the limited purpose of marshaling, effecting sales, and making a pro rata distribution to defrauded purchasers of fictitious Church bonds and investors in the fictitious Church Loan Fund described in the Commission's Complaint, of the assets set forth as follows:

- A) The assets of BROOKS set forth in Section IV, above.
- B) The assets detailed in the Consents of Puckett and Norris, referenced in Section V, above.

Further, the Special Officer shall distribute the proceeds of a \$4,000 cashier's check tendered by the Commission for deposit into the Registry of the Court, to the investor who provided said funds to Brooks.

No bond shall be required in connection with the appointment of the Special Officer. Except for an act of gross negligence, the Special Officer shall not be liable for any loss or damage incurred by Defendants or their officers, agents or employees, or any

other person, by reason of any act performed or omitted to be performed by the Special Officer in connection with the discharge of his duties and responsibilities hereunder.

The Special Officer shall report to the Court his disposition of assets and distributions to investors when completed.

VII.

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

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this FINAL JUDGMENT.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment of Permanent Injunction and Other Equitable Relief pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 23rd day of March, 2000.


UNITED STATES DISTRICT JUDGE