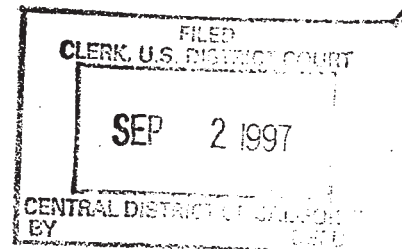


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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

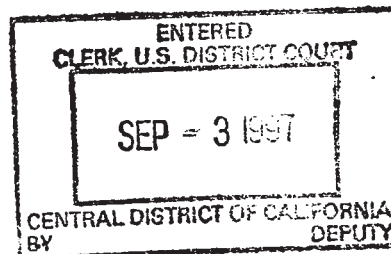
v.

AMERICAN GROWTH CAPITAL CORP.,  
AMERICAN GROWTH FUND I, LP,  
GROWTH CAPITAL RESOURCES CORP.,  
CAPITAL GROWTH FUND I, LP,  
DONNA L. SNYDER, CHARLES E.  
DUQUETTE, ROBERT K. KELLY, HUGO V.  
CIANCIULLI, WILLIAM M. MCNARY,  
EMANUEL B. NEDWICK, JEROME L.  
GLAZOV, AND CHRISTOPHER A. PAULICK,

Defendants.

Civil Action No. CV 97-5993  
RAP (JGx)

FINAL JUDGMENT OF  
PERMANENT INJUNCTION AND  
OTHER RELIEF AGAINST  
DEFENDANT ROBERT K. KELLY



Plaintiff Securities and Exchange Commission ("Commission"),  
having filed and served upon Defendant Robert K. Kelly ("Kelly")  
a Summons and Complaint in this matter and Defendant Kelly having  
admitted service upon him of the Summons and Complaint in this  
action and the jurisdiction of this Court over him and over the  
subject matter of this action; having been fully advised and  
informed of his rights to a judicial determination of this

1 matter; having waived the entry of findings of fact and  
2 conclusions of law as provided by Rule 52 of the Federal Rules of  
3 Civil Procedure; having consented to the entry of this Final  
4 Judgment of Permanent Injunction and Other Relief Against  
5 Defendant Robert K. Kelly ("Final Judgment") without admitting or  
6 denying the allegations in the Complaint, except as specifically  
7 set forth in the Consent of Defendant Robert K. Kelly to Entry of  
8 Final Judgment of Permanent Injunction and Other Relief  
9 ("Consent"); and it appearing that no notice of hearing upon the  
10 entry of this Final Judgment being necessary; and the Court being  
11 fully advised in the premises, and there being no just reason for  
12 delay:

13 I.

14 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant  
15 Kelly and his agents, servants, employees and attorneys, and all  
16 persons in active concert or participation with any of them, who  
17 receive actual notice of this Final Judgment, by personal service  
18 or otherwise, and each of them, are permanently restrained and  
19 enjoined from, directly or indirectly, in the offer or sale of  
20 the securities of any issuer, by the use of any means or  
21 instruments of transportation or communication in interstate  
22 commerce or by the use of the mails:

- 23 A. employing any device, scheme or artifice to defraud;  
24 B. obtaining money or property by means of any untrue  
25 statement of a material fact or any omission to state a  
26 material fact necessary in order to make the statements  
27 made, in the light of the circumstances under which  
28 they were made, not misleading; or

1 C. engaging in any transaction, practice, or course of  
2 business which operates or would operate as a fraud  
3 or deceit upon the purchaser;  
4 in violation of Section 17(a) of the Securities Act of 1933, as  
5 amended, ("Securities Act") [15 U.S.C. § 77q(a)].

6 II.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
8 Kelly and his agents, servants, employees and attorneys, and all  
9 persons in active concert or participation with any of them, who  
10 receive actual notice of this Final Judgment, by personal service  
11 or otherwise, and each of them, are permanently restrained and  
12 enjoined from, directly or indirectly, by the use of any means or  
13 instrumentality of interstate commerce, or of the mails, or of  
14 any facility of any national securities exchange:

15 A. employing any device, scheme, or artifice to defraud;

16 B. making any untrue statement of a material fact or  
17 omitting to state a material fact necessary in order  
18 to make the statements made, in the light of the  
19 circumstances under which they were made, not  
20 misleading; or

21 C. engaging in any act, practice, or course of business  
22 which operates or would operate as a fraud or deceit  
23 upon any person, in connection with the purchase or  
24 sale of any security;

25 in violation of Section 10(b) of the Securities Exchange Act of  
26 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5  
27 thereunder [17 C.F.R. § 240.10b-5].

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III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Kelly, and his agents, servants, employees and attorneys, and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, by use of the mails or any means or instrumentality of interstate commerce, while acting as, an investment adviser:

A. employing any devices, schemes or artifices to defraud advisory clients or prospective advisory clients, in violation of Section 206(1) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(1)]; and

B. engaging in transactions, practices or courses of business which operate as a fraud or deceit upon advisory clients or prospective advisory clients, in violation of Section 206(2) of the Advisers Act [15 U.S.C. § 80b-6(2)].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Kelly shall provide all documents in his possession, custody or control to the Commission and disclose under oath all information with respect to his activities and the activities of others about which the Commission or its staff may inquire or request. Such production of documents and disclosure of information by Kelly shall be made upon reasonable notice, in writing and without the service of a subpoena and subject only to the good faith

1 | assertion of any privileges recognizable pursuant to  
2 | the provisions of Rule 501 of the Federal Rules of Evidence or  
3 | the United States Constitution and amendments thereto.

4 | V.

5 | IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Kelly shall  
6 | pay disgorgement in an amount to be determined by the Court,  
7 | representing his gains from the conduct alleged in the Complaint,  
8 | plus pre-judgment interest thereon, as per 28 U.S.C. § 1961, and  
9 | shall pay a civil penalty, if any, under the Securities  
10 | Enforcement Remedies and Penny Stock Reform Act of 1990, pursuant  
11 | to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)],  
12 | Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and  
13 | Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)], said  
14 | disgorgement and civil penalty to be paid in amounts, if any, as  
15 | may be subsequently determined by the Court. In connection with  
16 | any hearing to determine the appropriate amounts of disgorgement  
17 | and civil penalties, Defendant Kelly may offer proof of the  
18 | actual amounts received, but shall not assert as a defense that  
19 | he did not commit the violations alleged in the Commission's  
20 | Complaint.

21 | VI.

22 | IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the  
23 | provisions of the Consent filed concurrently with this Final  
24 | Judgment are incorporated herein with the same force and effect  
25 | as if fully set forth herein and that Kelly shall comply with his  
26 | Consent.

27 | \*

28 | \*

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action to implement and enforce the terms of the Final Judgment and other decrees that may be entered herein and to grant such other relief as the Court may deem necessary and just.

\* \* \* \* \*

There being no just 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 Final Judgment forthwith.

SEP 2 1997

RICHARD A. PAEZ

DATED: \_\_\_\_\_

UNITED STATES DISTRICT JUDGE