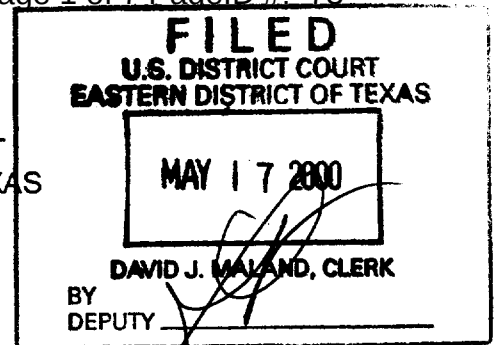


UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

(1) SUNPOINT SECURITIES, INC.,
(2) VAN R. LEWIS III, and
(3) MARY ELLEN WILDER,

Defendants.

Civil Action No.
6:99CV667

**ORDER OF PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF AS TO DEFENDANT VAN R. LEWIS III**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint for Injunctive and Other Equitable Relief in this matter, and Defendant Van R. Lewis III ("Lewis"), having admitted service of the Summons and Complaint in this matter, having admitted the jurisdiction of this Court over him and over the subject matter of this action, having waived 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 set forth herein, and without trial, argument or adjudication of any issue of law or fact, having consented to the entry of this Order of Permanent Injunction and Other Equitable Relief as to Van R. Lewis III ("Order"), and it appearing that this Court has jurisdiction over the parties and the subject matter of this action, and it appearing that no further notice for the entry of this Order need be given, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Lewis and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating Section 17(a) of the Securities Act, from making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national securities exchange, directly or indirectly:

- (a) to employ 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 statement(s) 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 the purchaser.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934, by, directly or indirectly, by the use of any means or instrumentality of interstate commerce, of the mails or of any facility of any national securities exchange, using or employing in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered any manipulative or deceptive device or contrivance in contravention of a rule or regulation prescribed by the Securities and Exchange Commission; and

- (a) violating Rule 10b-5 of the Securities and Exchange Commission, directly or indirectly, by the use of any means or instrumentality of interstate commerce, of the mails or of any facility of any national securities exchange,
- (b) employing any device, scheme or artifice to defraud,
- (c) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which were made, not misleading, or
- (d) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating and aiding and abetting violations of Section 15(c)(1) and Rule 15c1-2 of the Securities Exchange Act of 1934, by directly or indirectly, use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which it is a member by means of any manipulative, deceptive, or other fraudulent device or contrivance.

IV.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that Defendant Lewis and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating and aiding and abetting violations of Section 15(c)(3) and Rule 15c3-1 of the Securities Exchange Act of

1934, by directly or indirectly, making use of any means or instrument of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper, bankers' acceptances, or commercial bills) while in contravention of the requirements of Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder, which set forth the net capital requirements for brokers and dealers.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating and aiding and abetting violations of Section 15(c)(3) and 15c3-3 of the Securities Act Exchange of 1934, directly or indirectly, by means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper, bankers' acceptances, or commercial bills) while in contravention of the requirements of Section 15(c)(3) of the Exchange Act and Rule 15c3-3 thereunder, which set forth the customer protection requirements for brokers and dealers.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating and aiding and abetting violations of Section 17(a), 17(e) and Rules 17a-3 and 17a-5 of the Securities Exchange Act of 1934, by directly or indirectly failing to make and keep for prescribed

periods records and copies thereof, as the Commission, by rule, prescribes as necessary or appropriate in the public interest, for the protection of investors.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis shall pay disgorgement of an amount to be determined by agreement of the parties, plus prejudgment interest thereon. In the event the parties do not agree upon the disgorgement amount, the Court will determine the appropriate amount of disgorgement, if any, and may make such a determination upon application on the record without live testimony.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis shall pay a civil penalty pursuant to the provisions of Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. §78u(d)], as a result of his activities alleged in the Complaint. The amount of the penalty shall be determined by agreement of the parties, or in the event the parties cannot agree as to the penalty amount, the Court will determine the amount of the penalty, if any, and may make such a determination upon application on the record without live testimony.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that until the amount of disgorgement and civil penalties are resolved, Defendant Lewis and his agents, employees, servants, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, are restrained and enjoined from, directly or indirectly, making any payment or expenditure of funds, incurring any additional liability (including, specifically, by advances on any line of credit), or effecting any sale, gift, hypothecation or other disposition of any asset, pending Lewis providing sufficient proof to the Court that he has sufficient funds or assets to satisfy all claims arising from the

violations of the federal securities laws alleged in the Commission's Complaint, or him posting a bond or surety sufficient to assure payment of any such claim. Further, any bank, trust company, broker-dealer or other depository institution holding accounts for or on behalf of the defendant shall make no transactions in securities (excepting liquidating transactions necessary as to wasting assets) and no disbursement of funds or securities (including extensions of credit, or advance on existing lines of credit), including the honor of any negotiable instrument (including specifically any check, draft or cashier's check) purchased by or for this defendant, pending further order of this court, subject to Paragraph X below.

X.

Notwithstanding the provisions of Paragraph IX above, Defendant Lewis is granted access to and may expend funds from his current assets of an amount not to exceed \$250,000 for personal living expenses and legal fees. Counsel for Defendant Lewis, Sunpoint Securities, Inc. and the Commission shall coordinate with one another to determine the source of funding for Defendant Lewis' allowance for living expenses and legal fees. Defendant Lewis, through his counsel, is further required to report to the Court and to the parties on a monthly basis the aggregate amount of his expenditures for living expenses and legal fees withdrawn by counsel on Defendant Lewis' behalf, and the source of the funds used for such expenditures. In addition, Lewis may open an individual checking account (the "excluded account") for the purpose of (a) depositing funds that he receives pursuant to this paragraph, and any gifts of cash and earnings that he may receive in the future, and (b) withdrawing funds from the excluded account for the purpose of paying legal fees and satisfying reasonable living expenses as described in this paragraph.

XI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that until the amount of disgorgement and civil penalties are resolved, Defendant Lewis and his agents,

servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, are restrained and enjoined from destroying, removing, mutilating, altering, concealing or disposing of, in any manner, any of his books and records or any documents relating in any manner to the matters set forth in the Commission's Complaint, or the books and records and documents of any entities under his control, until further order of this Court.

XII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis' Stipulation and Consent filed herewith be, and the same is hereby, incorporated herein with the same force and effect as if fully set forth herein, and therefore, a breach of the terms of the Stipulation and Consent shall constitute a breach of this Order.

XIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter and over Defendant Lewis for purposes of enforcing the terms of this Order and for all other purposes.

XIV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Order may be served upon Defendant Lewis in person or by mail either by the United States Marshall, the Clerk of the Court, or any member of the staff of the Commission.

XV.

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

SIGNED this 9th day of May, 2000.


United States District Judge