

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION
450 Fifth Street, N.W.
Washington, D.C. 20549,

Plaintiff,

v.

RONALD R. CHARNOCK,
MARK C. HYER,
WALTER WILOWATYJ and
DONALD C. YOUNT,

Defendants.

Civil Action No. 00-2239

FILED

SEP 26 2000

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

**FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER RELIEF AS TO RONALD R. CHARNOCK**

Defendant RONALD R. CHARNOCK ("CHARNOCK") having (i) entered a general appearance; (ii) consented to the Court's jurisdiction over him and the subject matter of this action; (iii) without admitting or denying the allegations of the Complaint, consented to entry of this Judgment without further notice; (iv) waived findings of fact and conclusions of law; and (v) waived any right to appeal from this Judgment, it is now

ORDERED, ADJUDGED AND DECREED that CHARNOCK, and his officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from:

- (a) violating Section 17(a) of the Securities Act of 1933 ("Securities Act") (15 U.S.C.

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§77q(a)) by, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, (1) employing any device, scheme or artifice to defraud, (2) 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 statements made, in the 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 any person;

(b) violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") (15 U.S.C. §78j(b)) and Rule 10b-5 thereunder (17 C.F.R. §240.10b-5) by, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security, (1) employing any device, scheme or artifice to defraud, (2) making any untrue statement of a material fact or omitting 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) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

(c) violating Rule 13b2-1 of the Exchange Act (17 C.F.R. § 240.13b2-1) by, directly or indirectly, falsifying or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act;

(d) violating Rule 13b2-2 of the Exchange Act (17 C.F.R. § 240.13b2-2) by (1) making or causing to be made a materially false or misleading statement; or (2) omitting to state or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not

misleading to an accountant in connection with: (a) any audit or examination of the financial statements of the issuer required to be made pursuant to Section 13(a) of the Exchange Act, or (b) the preparation or filing of any document or report required to be filed with the Securities and Exchange Commission ("SEC") pursuant to Section 13(a) of the Exchange Act or otherwise; and

(e) directly or indirectly aiding and abetting an issuer's failure to devise and maintain a sufficient system of internal accounting controls, in violation of Section 13(b)(2)(B) of the Exchange Act.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that CHARNOCK pay a civil penalty of \$50,000 pursuant to Section 20(d) of the Securities Act (15 U.S.C. §77t(d)) and Section 21(d)(3) of the Exchange Act (15 U.S.C. §78u(d)(3)). CHARNOCK shall satisfy this obligation by paying \$50,000 within 10 business days by certified check, U.S. postal money order, bank cashier's check or bank money order payable to "Securities and Exchange Commission." Payment shall be hand-delivered or mailed to the Office of the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312 under cover of a letter identifying CHARNOCK as the defendant on whose behalf the payment is being made, the caption and case number of this action, the name of this Court, and the SEC's internal file number for this matter (HO-3410). A copy of the cover letter and check or money order shall simultaneously be transmitted to Gregory S. Bruch, Esq., 450 Fifth Street, N.W., Washington, D.C. 20549-0703. The SEC shall forward

such funds to the U.S. Treasury.

There being no just reason for delay, pursuant to Fed. R. Civ. P. 54(b), the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated: September 25, 2000


UNITED STATES DISTRICT JUDGE