

FILED

03/27/01 11:57
he

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA

_____))
SECURITIES AND EXCHANGE COMMISSION,))
))
Plaintiff,))
))
v.))
))
EARL A. ABBOTT,))
RICHARD L. STALVEY,))
GLENN PURDUE,))
ROBERT E. GERWIN and))
KENNETH C. NUNN,))
))
Defendants,))
))
and))
))
THOMAS J. O'KEEFFE,))
))
Relief Defendant.))
_____))

Civil Action No. 01-01-cv-364-31-KAS

**FINAL JUDGMENT OF PERMANENT INJUNCTION,
DISGORGEMENT AND OTHER RELIEF
AS TO DEFENDANT RICHARD L. STALVEY**

Defendant Richard L. Stalvey ("Stalvey") having: (i) executed the Consent to Final Judgment of Permanent Injunction, Disgorgement and Other Relief by Defendant Richard L. Stalvey ("Consent") which is attached hereto and hereby incorporated by reference; (ii) entered a general appearance; (iii) consented to the Court's jurisdiction over himself and over the subject matter of this action; (iv) consented to entry of this Final Judgment of Permanent Injunction, Disgorgement and Other Relief as to

Defendant Richard L. Stalvey (“Final Judgment”) without admitting or denying the allegations of the Complaint; (v) waived findings of fact and conclusions of law; and (vi) waived any right to appeal from this Final Judgment and any basis for objecting to enforcement of the Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Stalvey and his agents, servants, employees, attorneys, successors or assigns, and those persons in active concert or participation with him who receive actual notice of this Final Judgment, are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (“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: (a) employing 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 statements 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 of such security.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Stalvey and his agents, servants, employees, attorneys, successors or assigns, and those persons in active concert or participation with him who receive actual notice of this Final Judgment, are permanently restrained and enjoined from 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: (a) employing any device, scheme, or artifice to defraud; (b) 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 (c) 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 HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Stalvey and his agents, servants, employees, attorneys, successors or assigns, and those persons in active concert or participation with them who receive actual notice of this Final Judgment, are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§77e(a), (c)] by, directly or indirectly: (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell any security, through the use or medium of any prospectus or otherwise, unless a registration statement is in effect as to such security; (b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any security for the purpose of sale or for delivery after sale, unless a registration statement is in effect as to such security; or (c) 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, any security unless a registration statement

has been filed as to such security, or while the registration statement as to such security 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 [15 U.S.C. §77h], provided, however, that the provisions of this paragraph shall not apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act [15 U.S.C. §77e].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Stalvey and his agents, servants, employees, attorneys, successors or assigns, and those persons in active concert or participation with them who receive actual notice of this Final Judgment, are permanently restrained and enjoined from violating Section 15(a) of the Exchange Act [15 U.S.C. §78o(a)] by making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless it is registered as a broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)].

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Stalvey is liable for disgorgement of \$50,000, representing profits gained as a result of the conduct alleged in the Complaint. Based on Stalvey's demonstrated inability to pay, as shown by two sworn financial statements furnished to the Commission, payment of this disgorgement obligation is waived. However,

if it shall appear that such financial statements were false or incomplete in any material respect when made, Stalvey shall, on application by the Commission, be ordered to pay the full disgorgement amount plus pre-judgment and post-judgment interest. In the event that he pays all or a portion of his disgorgement obligation as set forth above, Stalvey shall relinquish all legal and equitable right, title and interest in such payment, and no part of the funds shall be returned to him.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that, based on his demonstrated inability to pay, as shown by two sworn financial statements furnished to the Commission, the Court is not directing Stalvey to pay a civil monetary penalty 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)]. However, if it shall appear that such financial statements were false or incomplete in any material respect when made, Stalvey shall, on application by the Commission, be ordered to pay a penalty in an amount to be determined by the Court.

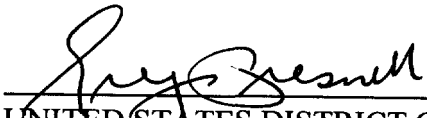
VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over Stalvey as a party to this matter for all purposes, including the implementation and enforcement of this Final Judgment.

VIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that, the Court finding no just reason for delay, the entry of this Judgment shall constitute a final judgment as to all of the Commission's claims against Stalvey in this action, and the Clerk of the Court is directed to enter this Final Judgment forthwith pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

DONE AND ORDERED at Orlando, Florida, this 27 day of March, 2001.



UNITED STATES DISTRICT COURT JUDGE
GREGORY A. PRESNELL
United States District Judge