

UNITED STATES DISTRICT COURT
For The
NORTHERN DISTRICT OF OHIO, EASTERN DIVISION

Securities and Exchange Commission,

Plaintiff,

v.

Lloyd E. Wollmershauser a/k/a The
PennyStockMan

Defendant.

JUDGE MANOS
MAG. JUDGE BAUGHMAN
Civil Action No.
1:01 CV 530
FINAL JUDGMENT AND
ORDER GRANTING
PERMANENT INJUNCTION
AND OTHER RELIEF

Plaintiff, Securities and Exchange Commission ("Commission"), having filed its Complaint for Permanent Injunction and Other Relief ("Complaint"), there having been no trial of this matter and no findings regarding the allegations contained in the Complaint; Defendant Lloyd E. Wollmershauser a/k/a the PennyStockMan ("Wollmershauser") having acknowledged in the Consent filed herein, receipt of the Complaint filed in this matter, having waived service of the Summons and Complaint; having admitted the *in personam* jurisdiction of this Court, and the jurisdiction of this Court over the subject matter of this action; having waived the entry of Findings of Fact and Conclusions of Law under Rule 52 of the Federal Rules of Civil Procedure with respect to the entry of this Final Judgment and Order Granting Permanent Injunction and

other Relief (“Final Judgment and Order”); having agreed, for purposes of this action only, without admitting or denying any of the allegations of the Commission's Complaint, except as expressly set forth herein, to the entry of this Order that: (1) enjoins Wollmershauser from engaging in transactions, acts, practices and courses of business which constitute and would constitute violations of Sections 5(a), 5(c) and 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 Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder, and Sections 206(1) and (2) of the Investment Advisers Act of 1940 (“Advisers Act”) [15 U.S.C. §§ 80b-6(1) and (2)]; (2) orders Wollmershauser to disgorge \$436,660 representing his illicit trading profits from his sale of 97,750 shares of Thermotek International, Inc. (“TTKI”) common stock between June 28, 2000 and June 29, 2000, as alleged in the Complaint, plus prejudgment interest thereon but, based on Wollmershauser's demonstrated financial inability to pay the entire disgorgement, the disgorgement in excess of \$205,000 is waived by the Commission; and (3) notes the appropriateness of civil money penalties but does not impose a penalty against Wollmershauser based upon his demonstrated financial inability to pay such penalty. It further appearing that this Court has jurisdiction over Wollmershauser; that no further notice of hearing for the entry of this Final Judgment and Order need be given; and the Court being fully advised in the premises and there being no just reason for delay:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Wollmershauser, his affiliates, nominees, agents, officers, directors, employees, servants, successors, attorneys, assigns, corporations, and other persons or entities under his control, and

those persons in active concert or participation with him, and each of them, who receive actual notice of this Final Judgment and Order by personal service or otherwise, be and hereby are permanently restrained and enjoined from violating Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder in connection with using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, to directly or indirectly:

- A. employ any device, scheme, or artifice to defraud;
- B. 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 light of the circumstances under which they were made, not misleading; or
- C. engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Wollmershuser, his affiliates, nominees, agents, officers, directors, employees, servants, successors, attorneys, assigns, corporations, and other persons or entities under his control, and those persons in active concert or participation with him, and each of them, who receive actual notice of this Final Judgment and Order by personal service or otherwise, are permanently enjoined 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 securities of any issuer, through 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; or

B. Obtaining money or property by means of any untrue statement of material fact or 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

C. Engaging in transactions, practices or courses of business which operate or would operate as a fraud or deceit upon the purchaser or prospective purchaser of any such security.

III.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Wollmershauser, his affiliates, nominees, agents, officers, directors, employees, servants, successors, attorneys, assigns, corporations, and other persons or entities under his control, and those persons in active concert or participation with him, and each of them, who receive actual notice of this Final Judgment and Order by personal service or otherwise, be and hereby are permanently restrained and enjoined from violating Sections 206(1) and (2) of the Advisers Act [15 U.S.C. §§ 80b-6(1) and (2)] through the use of any means or instrumentality of interstate commerce, or of the mails, by directly or indirectly:

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

B. engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

IV.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Wollmershuser, his affiliates, nominees, agents, officers, directors, employees, servants successors, attorneys, assigns, corporations, and other persons or entities under his control, and those persons in active concert or participation with him, and each of them, who receive actual notice of this Final Judgment and Order by personal service or otherwise, are permanently enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(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 securities of any issuer through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such securities;

B. Carrying securities of any issuer or causing them to be carried through the mails or instruments of interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale unless or until a registration statement is in effect with the Commission as to such securities; or

C. Making use of the 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 prospectus or otherwise, any securities of any issuer, unless a registration statement is filed with the Commission as to such securities, or while a registration statement 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].

Nothing in the foregoing portion of the injunction shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act [15 U.S.C. § 77e].

V.

IT IS ORDERED, ADJUDGED AND DECREED that defendant Wollmershauser shall pay within 60 days of the date of this Final Judgment and Order disgorgement totaling \$436,660 plus prejudgment interest thereon and that a civil money penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] is appropriate. However, based upon Wollmershauser's demonstrated financial inability to pay disgorgement in excess of \$205,000, the remaining amount is waived. Payment of the \$205,000 in disgorgement shall be (1) made by United States postal money order, certified check, bank cashier's check or bank money order; (2) made payable to the Securities and Exchange Commission; (3) hand-delivered or mailed to the Office of the Comptroller, U.S. Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (4) submitted under cover letter which identifies Wollmershauser as the defendant in this action and the file number of the action, a copy of which cover letter and money order or check shall be sent to Ian S. Karpel, Central Regional Office, Securities and Exchange Commission, 1801 California St., Suite 4800, Denver, Colorado 80202.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Commission shall propose a plan of distribution of the disgorged funds to the Court within 90 days of the date of this Final Judgment and Order, which plan will be subject to Court approval.

The monies paid by the defendant to the Commission shall be made available as provided in the approved plan of distribution to persons having valid claims under the federal securities laws arising out of the activities alleged in the Complaint. Should for any reason the monies and any interest thereon, or any portion thereof, remain undistributed after one year after the entry of the Final Judgment, all undistributed monies and interest shall be paid by the Commission to the United States Treasury.

VII.

IT IS FURTHER ORDERED, ADJUDGED and DECREED that based upon Wollmershauser's sworn representations in his Statement of Financial Condition submitted to the Commission, the Court is not ordering Wollmershauser to pay civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The determination not to impose civil penalties is contingent upon the accuracy and completeness of such Statement of Financial Condition.

VIII.

If at any time following the entry of this Final Judgment and Order the Commission obtains information indicating that Wollmershauser's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Wollmershauser, petition this Court for an order imposing a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Wollmershauser was fraudulent, misleading, or incomplete in any material respect as of the time such representations were made, and the amount of civil

penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Wollmershauser to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment and Order, and the Commission may also request additional discovery. Wollmershauser may not, by way of defense to such petition, challenge the validity of the Consent or the Final Judgment and Order, contest the allegations in the Complaint filed by the Commission, or assert that payment of a civil penalty should not be ordered.

IX.

IT IS ORDERED ADJUDGED and DECREED that this Court shall retain jurisdiction of this action for all purposes.

X.

This Order shall be binding on defendant Wollmershauser his affiliates, nominees, agents, officers, directors, employees, servants, successors, attorneys, assigns, corporations, and other persons or entities under his control, and those persons in active concert or participation with him, and each of them, who receive actual notice of the Order, a copy of which may be served in person, by mail, or by any officer of the Commission.

XI.

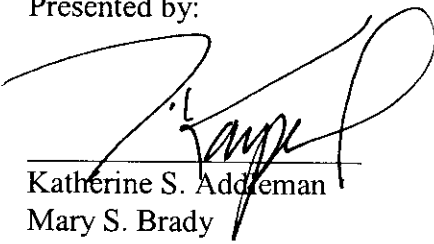
There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Order of Permanent Injunction pursuant to Rule 54 of the Federal Rules of Civil Procedure.

DATED this 14 day of March, 2001.

/s/Judge John M. Manos

United States District Judge

Presented by:



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