

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF KENTUCKY

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

DEVIN A. DANEHY,

Defendant.

CIVIL ACTION
FILE NO. 3:01CV-555-H

SECURITIES & EXCHANGE COMMISSION
RECEIVED

SEP 28 2001

MIDWEST REGIONAL OFFICE

**FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION,
CIVIL PENALTIES AND OTHER EQUITABLE RELIEF**

Plaintiff Securities and Exchange Commission ("Commission"), having filed a Complaint for Permanent Injunction, Civil Penalties and Other Equitable Relief ("Complaint") in this matter and Defendant Devin A. Danehy ("Danehy"), in the Consent and Stipulation ("Consent") attached hereto and incorporated herein, having acknowledged receipt of the Complaint and admitted the jurisdiction of this Court over him and over the subject matter, and both the Commission and Danehy having waived the entry of Findings of Fact and Conclusions of Law as provided by Rule 52 of the Federal Rules of Civil Procedure, and Danehy, without admitting or denying the allegations of the Complaint except as to jurisdiction, and without trial, argument, or adjudication of any issue of fact or law herein, having consented to the entry of this Final Judgment and Order of Permanent Injunction, Civil Penalties and Other Equitable Relief ("Final Judgment"), and it further appearing that the Court has jurisdiction over the parties and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that Danehy, his agents, servants, employees, attorneys and those persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby is permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme or artifice to defraud;
- B. making any untrue statement of 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,

in violation of 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] thereunder.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Danehy shall pay disgorgement in the amount of \$110,301, plus prejudgment interest of \$24,026, for a total of \$134,327, representing his gains from conduct alleged in the Complaint. Payments of disgorgement and prejudgment interest shall be made on the following terms: (1) \$50,000 shall be paid within thirty (30) days of the entry of this Final Judgment; (2) \$20,000 plus post-judgment interest shall be paid within six (6) months of the entry of this Final Judgment; (3) \$20,000 plus post-judgment interest shall be paid within one year of the entry of this Final

Judgment; (4) \$20,000 plus post-judgment interest shall be paid within eighteen (18) months of the entry of this Final Judgment; (5) \$15,000 plus post-judgment interest shall be paid within two (2) years of the entry of this Final Judgment; (6) \$9,327 plus post-judgment interest shall be paid within two years and three months of the entry of the Final Judgment; provided, however, that if any payment is not made on the date it is due, the entire unpaid balance becomes immediately due and payable. Post judgment interest shall be calculated pursuant to 28 U.S.C. § 1961. Such payments shall be: (1) made payable to the Clerk, U.S. District Court, Western District of Kentucky by United States postal money order, certified check, bank cashier's check or bank money order and (2) submitted under cover letter that identifies Danehy as a Defendant in this action, the caption and case number of this action and the name of this Court. Copies of such check and accompanying cover letter shall be simultaneously submitted to Tracy W. Lo, Attorney, Division of Enforcement, Securities and Exchange Commission, Midwest Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED THAT, based upon Danehy's sworn representations in his Statement of Financial Condition dated February 22, 2001, and submitted to the Commission, the Court is not ordering him to pay a civil penalty pursuant to Section 21A of the Exchange Act [15 U.S.C. §78u-1]. The determination not to impose a civil penalty is contingent upon the accuracy and completeness of his Statement of Financial Condition. If at any time following the entry of this Final Judgment, the Commission obtains information indicating that Danehy's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate 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 Danehy, 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 Danehy was fraudulent, misleading, inaccurate 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 Danehy to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Danehy, may not, by way of defense to such petition, challenge the validity of the Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, or assert that disgorgement or the payment of a civil penalty should not be ordered.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent and Stipulation of Danehy be, and hereby is, incorporated herein with the same force and effect as if fully set forth herein and that Danehy shall comply with his Consent.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including enforcement of the Final Judgment.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just cause for delay, the Clerk of the Court is hereby directed to enter this Final Judgment.


UNITED STATES DISTRICT JUDGE

DATED: 9/24/07

ENTERED
SEP 25 2007
JEFFREY A. APPERSCH, CLERK
BY 