

ORIGINAL IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

(1) SECURITIES AND EXCHANGE COMMISSION, §

Plaintiff, §

v. §

(1) GARRY W. STROUD, INDIVIDUALLY AND §
D/B/A ANGELIC INTERNATIONAL, §
EURO CREDIT AND EXCHANGE BANK LTD., AND §
DIAMOND GLOBAL HOLDING TRUST, §

Defendant, §

and §

(1) ADELE LOUROS, §

Relief-Defendant. §

DOCKETED

Case No.:

CIV-01-999-W

FILED

FEB 18 2003

ROBERT S. DENNIS, CLERK
U.S. DIST. COURT, WESTERN DIST. OF OKLA.
BY [Signature] DEPUTY

**FINAL JUDGMENT BY DEFAULT
AGAINST DEFENDANT GARRY W. STROUD**

This matter came before this Court on the motion of Plaintiff Securities and Exchange Commission ("Commission"), seeking entry of a final judgment by default, providing it with the relief requested in its Complaint against Defendant Garry W. Stroud, individually and d/b/a Angelic International, Euro Credit and Exchange Bank, Ltd., and Diamond Global Holding Trust ("Stroud" or "Defendant"), by reason of his failure to answer the Commission's Complaint, or otherwise appear in or defend this civil action.

This Court having considered the pleadings and declarations on file herein makes the following findings of fact and conclusions of law:

1. The Commission's Complaint against Stroud was filed on June 28, 2001.
2. Stroud was served with the Summons and Complaint on July 4, 2001.
3. The Commission caused the affidavits of service to be filed with this Court on July 11,

2001.

4. Defendant has not filed an answer to the Commission's Complaint, nor has he otherwise appeared before this Court to defend in this cause.

5. Stroud is not an infant or incompetent. Defendant is not eligible for relief under the Soldiers' and Sailors' Civil Relief Act of 1940 [50 U.S.C. Appendix, § 501 et seq.].

6. The allegations in the Commission's Complaint as to Stroud's conduct and activities are, as to him, deemed admitted.

7. The Commission is entitled to the entry of a final judgment of permanent injunction as to Stroud for violating 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.

8. The Commission is entitled to an order requiring Defendant to disgorge an amount equal to the funds and benefits he obtained illegally as a result of the violations alleged herein, plus prejudgment interest on that amount. The Commission is also entitled to an order imposing a civil penalty against Defendant pursuant to 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)].

9. The Commission is entitled to an order requiring the Defendant to file with the Court and serve upon Plaintiff Commission, an accounting, under oath, of (1) all monies and other assets he received, directly or indirectly, from investors in the securities described in the Commission's Complaint; (2) all assets in which the Defendant has a beneficial interest, directly or indirectly, wherever they may be located and by whomever they are being held; and (3) all accounts with any

financial institution or securities brokerage firm maintained in any of his names or for his benefit on or after January 1, 1999.

10. In light of the Stroud's removing investor assets beyond the reach of this Court's jurisdiction, the Commission is also entitled to an order requiring Stroud to repatriate to this Court's jurisdiction all assets obtained from investors and derived from the schemes alleged in the Commission's Complaint.

On the basis of the foregoing findings of fact and conclusions of law,

I.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Stroud, individually and doing business as Angelic International, Euro Credit and Exchange Bank, Ltd., and Diamond Global Holding Trust, and his agents, servants, employees, attorneys, and all 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 are restrained and enjoined, directly and indirectly, from violating sections 5(a) and (c) of the Securities Act, 15 U.S.C. §§77e(a) and (c),

(a) by making use of any means or instruments of transportation or communication in interstate commerce or of the mails, to sell a security through the use or medium of a prospectus or otherwise; or

(b) by carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, a security for the purpose of sale or for delivery after sale unless a registration statement is in effect as to the security; or to make use of any means or instruments of transportation or communication in interstate commerce of the mails to offer to sell or

offer to buy through the use or medium of a prospectus or otherwise a security unless a registration statement has been filed as to the security; or while the registration statement is the subject of a refusal order, 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.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Stroud, individually and doing business as Angelic International, Euro Credit and Exchange Bank, Ltd., and Diamond Global Holding Trust, and his agents, servants, employees, attorneys, and all other persons in active concert or participation with him, and all other persons in active concert or participation with him who receive actual notice of this judgment, by personal service or otherwise, and each of them, be and hereby are permanently enjoined from violating section 17(a) of the Securities Act [15 U.S.C. §77q(a)], directly or indirectly, in the offer or sale of a security, by making use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- a. to employ any device, scheme or artifice to defraud;
- b. to obtain 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; and/or
- c. to engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any purchaser.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Stroud, individually and doing business as Angelic International, Euro Credit and Exchange Bank, Ltd., and Diamond Global Holding Trust, and his agents, servants, employees, attorneys, and all other persons in active concert or participation with him, and all other persons in active concert or participation with him who receive actual judgment, by personal service or otherwise, and each of them, be and hereby are permanently enjoined from violating section 10(b) of the Exchange Act and Rule 10b-5 [15 U.S.C. §78j(b), 17 C.F.R. §240.10b-5], directly or indirectly, in connection with the purchase or sale of a security, by making use of any means or instrumentality of interstate commerce, of the mails or of any facility of any national securities exchange:

- a. to use or employ any manipulative or deceptive device or contrivance;
- b. to employ any device, scheme or artifice to defraud;
- c. to make any untrue statement of a material fact or omit 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; and/or
- d. to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Stroud shall disgorge the amount of \$956,379 plus prejudgment interest in the amount of \$88,500, plus post judgment interest at the lawful rate on the total amount until paid. Stroud shall make such disgorgement to the

Temporary Receiver, or place such funds or property into the registry of the Court if necessary.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, Stroud is ordered to pay a civil monetary penalty of \$956,379 pursuant to the provisions of Section 20(d) and Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 77t(d) and 78u(d)(3)]. Defendant shall make this payment within ten (10) business days after entry of this Final Judgment by United States postal money order, certified check or bank cashier's check payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 Green Way, Mail Stop 0-3, Alexandria, Virginia 22312 and shall be accompanied by a letter identifying Garry W. Stroud as the defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Stroud shall, within twenty days of service of this Final Judgment upon him, make an accounting (1) detailing all monies and other benefits received, directly and indirectly, as a result of the activities alleged in the Complaint (including the date on which the monies or other benefit was received and the name, address and telephone number of the person paying the money or providing the benefit), (2) listing all current assets wherever they may be located and by whomever they are being held (including the name and address of the holder and the amount or value of the holdings) and (3) listing all accounts with any financial or brokerage institution maintained in the name of, on behalf of or for the benefit

of the Defendant (including the name and address of the account holder and the account number) and the amount held in each account at any point during the period from January 1, 1999, through the date of the accounting.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Stroud shall immediately repatriate all funds and assets obtained, directly or indirectly, from the activities described in the Commission's Complaint that are now located outside the jurisdiction of this Court.

Such funds shall be, immediately, transferred or paid to the Court appointed Temporary Receiver or into the Registry of this Court. Furthermore, with respect to any other asset owned by Defendant that is now located outside the jurisdiction of this Court, including specifically, any securities or real property, Defendant shall immediately identify to the Court or the Temporary Receiver the location of such asset, the price paid or consideration given, and the date upon which it was purchased. Securities or other personal property that are to be repatriated and that can be readily moved or transferred and titles or other documents reflecting ownership as to real property subject to repatriation, shall be delivered to the Temporary Receiver of the Registry of the Court as soon as practicable.

VIII.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

IX.

This Final Judgment may be served upon Stroud in person, by electronic mail or by certified mail, either by the United States Marshal, the Clerk of the Court, or any member of the staff of the Securities and Exchange Commission.

SIGNED this 18 day of February, 2003.


LEE R. WEST
UNITED STATES DISTRICT COURT JUDGE

ENTERED ON JUDGMENT DOCKET ON 2.18.03