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COURT OF APPEALS  
MIDDLE DISTRICT OF FLORIDA  
TAMPA, FLORIDA

**UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
(Tampa Division)**

**Case No. 8:01-CV-1446-T-24TGW  
Judge Susan C. Bucklew**

**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**CRAIG P. SCANLON AND SCANLON &  
ASSOCIATES, INC.**

**Defendants.**

\_\_\_\_\_ /

**FINAL DEFAULT JUDGMENT OF PERMANENT INJUNCTION  
AND OTHER RELIEF AS TO ALL DEFENDANTS**

THIS MATTER, having come before the Court upon Plaintiff Securities and Exchange Commission's ("Commission") Motion for Entry of Final Judgment of Permanent Injunction and Other Relief by Default as to Defendants Craig P. Scanlon ("Scanlon") and Scanlon & Associates, Inc. ("Scanlon & Associates")(collectively "Defendants") and it appearing to the Court that Defendants were duly served, and that Defendants failed to appear or file a responsive pleading within the time prescribed by law, and the Court, having reviewed the record and been otherwise advised, hereby renders final judgment in this cause.

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**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. This Court has personal jurisdiction over Defendants and the subject matter herein.

2. Notice of this action was duly served upon Defendants by personal service.

3. Pursuant to Rule 4(1) of the Federal Rules of Civil Procedure proof of service was filed with the Court on August 17, 2001.

4. As of the date of the Commission's Motion for Final Judgment of Permanent Injunction and Other Relief by Default, Defendants have failed to answer or otherwise plead to the Commission's complaint as required by the Federal Rules of Civil Procedure.

5. By virtue of their failure to answer or otherwise plead, Defendants are deemed to have admitted the well pleaded allegations of the complaint; accordingly, the Court finds that Defendants committed the violations alleged therein.

6. Defendants are not infants or incompetent persons and have no general guardian, committee, conservator or other such persons appearing on their behalf.

7. The Court did not find it necessary to conduct a hearing or order a conference prior to entering final judgment in this action or carrying its judgment to effect.

8. Pursuant to Federal Rule of Civil Procedure 54(b), the Court expressly determines that there is no just reason for delay and expressly directs that judgment be entered in this action as between the Commission and Defendants. Accordingly,

**I.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Plaintiff's Motion for Final Judgment of Permanent Injunction and Other Relief by Default Against Defendants is **GRANTED**.

**II.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants had engaged and, unless enjoined, will continue to engage in acts that constitute violations of (i) Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77e and § 77q(a)(1); (ii) 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; and (iii) Sections 206(1) and 206(2) of the Advisors Act, 15 U.S.C. § 80b-6.

**III.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, Defendants, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly 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:

- (a) knowingly or recklessly employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of a material fact or 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 practice, transaction, or course of business which operates or would operate as a fraud or deceit upon the purchaser of any such security, in violation of Sections 17(a) of the Securities Act, 15 U.S.C. §§ 77e and 77q(a).

#### IV.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly, willfully, or recklessly, 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 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, in violation of 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.

**V.**

**IT IS HEREBY FURTHER ORDERED** that, Defendants, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from directly and indirectly, by use of the means or instruments of transportation or communication in interstate commerce and by the use of the mails, in the offer or sale of securities:

- (a) obtaining money or property by means of untrue statements of material facts and omissions to state material facts necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and
- (b) engaging in transactions, practices and courses of business which was operating and may still be operating as a fraud or deceit upon investors and prospective investors of such securities in violation of Section 206(1) of the Advisors Act, 15 U.S.C. § 80b-6.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly, willfully, or recklessly, 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 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, in violation of Section 206(2) of the Advisers Act, 15 U.S.C. § 80b-6.

**VII.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants shall pay disgorgement representing their gains from the conduct alleged in the complaint, plus pre-judgment interest thereon. The amount of disgorgement shall be determined without hearing based upon the submission of documentary evidence by the Commission within 20 days of the date of this Final Judgment.

**VIII.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants shall pay a civil money 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) based upon their conduct as alleged in the complaint. The amount of the civil penalty shall be determined after

the Commission submits its recommendation to the Court within 20 days of the date of this Final Judgment.

**IX.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that, this Court will retain jurisdiction over this matter and Defendants in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

**DONE AND ORDERED** at \_\_\_\_\_ o'clock \_\_\_\_ .m. this 15<sup>th</sup> day of October, 2001 in chambers at Tampa, Florida.

  
**UNITED STATES DISTRICT JUDGE**

Copies provided to:  
Kerry A. Zinn, Esq.  
U.S. Securities & Exchange Commission  
1401 Brickell Ave., Ste. 200  
Miami, FL 33131

Craig P. Scanlon  
570 Crystal Drive  
Madeira Beach, FL 33708

Scanlon & Associates, Inc.  
c/o Craig P. Scanlon  
570 Crystal Drive  
Madeira Beach, FL 33708

Date Printed: 10/16/2001

Notice sent to:

*CA*

← Kerry A. Zinn, Esq.  
Securities and Exchange Commission  
1401 Brickell Ave., Suite 200  
Miami, FL 33131

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570 Crystal Dr.  
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