

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

_____	)	
SECURITIES AND EXCHANGE	)	
COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civ. No. 01-2060 (EGS)
	)	
TRANS ENERGY, INC., et. al,	)	
	)	
Defendants.	)	
_____	)	

**ORDER AND FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF**

Plaintiff, the United States Securities and Exchange Commission ("Commission"), has filed a Complaint in this matter. Defendants Trans Energy, Inc., Loren E. Bagley, and William F. Woodburn have, in the Consent and Stipulation of Trans Energy, Inc., Loren E. Bagley, and William F. Woodburn attached hereto and incorporated herein, admitted the jurisdiction of the Court over the subject matter of this action, and admitted the jurisdiction of the Court over them. Defendants have waived the entry of Findings of Fact and Conclusions of Law in this matter, as provided by Rule 52 of the Federal Rules of Civil Procedure, and Defendants, without admitting or denying the allegations of the Complaint except as to the admissions stated above, and without trial, argument or adjudication of any fact or law, have consented to the entry of the Final Order and Judgment of Permanent Injunction and Other Relief ("Final Judgment") without further notice, and have waived any right to appeal from the

Final Judgment. This Court, having jurisdiction over Defendants and the subject matter hereof, and the Court being fully advised in the premises, hereby states:

I.

**IT IS ORDERED, ADJUDGED AND DECREED** that Defendants Trans Energy, Inc., Loren E. Bagley, and William F. Woodburn, and their officers, agents, servants, employees and attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of the Final Judgment, and each of them, be and hereby are permanently restrained and enjoined from, 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,

- (1) employing any device, scheme or artifice to defraud,
- (2) 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
- (3) 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 thereunder (17 C.F.R. §240.10b-5).

II.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Trans Energy, Inc., its officers, agents, servants, employees and attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of the Final Judgment, and each of them, are permanently restrained and enjoined from, directly or indirectly, filing periodic or annual reports with the Commission that misrepresent or omit material information, in violation of Section 13(a) of the Exchange Act (15 U.S.C. § 78m(a)) and Rules 12b-20, 13a-1, and 13a-13 thereunder (17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13).

III.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants Loren E. Bagley and William F. Woodburn, their officers, agents, servants, employees and attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of the Final Judgment, and each of them, are permanently restrained and enjoined from violating, directly or indirectly, Section 13(a) of the Exchange Act (15 U.S.C. § 78m(a)) and Rules 12b-20, 13a-1, and 13a-13 thereunder (17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13), by filing periodic or annual reports with the Commission that misrepresent or omit material information, and from aiding and abetting the violation of Section 13(a) of the Exchange Act (15 U.S.C. § 78m(a)) and Rules 12b-20, 13a-1, and 13a-13 thereunder (17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13) by knowingly providing substantial assistance to another person who files periodic or annual reports with the Commission that misrepresent or omit

material information.

IV.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendants Loren E. Bagley and William F. Woodburn each pay a civil penalty of \$20,000.00 pursuant to Section 21(d)(3) of the Exchange Act (15 U.S.C. §78u(d)(3)). Defendants shall each satisfy his obligation by paying \$20,000.00 within 10 business days to the Comptroller of the Commission, together with a letter specifying that payment is made pursuant to this Final Judgment. Defendants shall simultaneously transmit photocopies of such payments and letters to counsel for the Commission in this action.

V.

There being no just reason for delay, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

**Signed: Emmet G. Sullivan**  
**United States District Judge**  
**February 26, 2002**