

CLERK'S OFFICE U.S. DIST. COURT  
AT LYNCHBURG, VA.  
FILED  
*John C'Ville*  
DEC 14 2005  
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BY: *J. Jarabe*  
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UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF VIRGINIA  
CHARLOTTESVILLE DIVISION

_____	:	
SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	Civil Action No. 3:01CV00116
TERRY L. DOWDELL, et al.,	:	
	:	Judge Norman K. Moon
Defendants.	:	
	:	
_____	:	

**FINAL JUDGMENT AGAINST DEFENDANT KENNETH G. MASON**

Before this Court is the "Plaintiff SEC's Agreed Motion for Entry of Final Judgment Against Defendant Kenneth G. Mason." In connection with this motion, Defendant Mason has also filed with this court a Consent and Stipulation, incorporated herein by reference.

The court being fully advised in the premises, and Defendant Mason having: (i) entered a general appearance; (ii) consented to the Court's jurisdiction over him and the subject matter of this action; (iii) without admitting or denying the allegations of the Complaint, except as to jurisdiction, which are admitted, consented to entry of this Final Judgment Against Defendant Kenneth G. Mason ("Final Judgment") without further notice; (iv) waived findings of fact and conclusions of law; and (v) waived any right to appeal from this Final Judgment:

I.

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant Mason and his officers, 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 are permanently restrained and enjoined from, directly or indirectly, as principals or aiders and abettors, 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:

- (1) employing any device, scheme or artifice to defraud;
- (2) 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
- (3) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser;

in violation of Sections 17(a)(1), (2) and (3) of the Securities Act [15 U.S.C. §§77q(a)(1), (2) and (3)].

**II.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant Mason and 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 are permanently restrained and enjoined from, directly or indirectly, as principals or aiders and abettors, in connection

with the purchase or sale of securities, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (1) employing any device, scheme or artifice to defraud;
- (2) 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
- (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].

### III.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Mason shall pay, within thirty (30) days of entry of this order, disgorgement in the amount of \$540,105, representing his gains from the conduct alleged in the Commission's Complaint, plus prejudgment interest thereon in the amount of \$99,928. Payments of disgorgement and interest shall be made by cashier's check, certified check or postal money order made payable to the "Dowdell et al. Receivership" and sent to the receiver appointed by the court in this lawsuit, Roy M. Terry and the law firm of DuretteBradshaw, PLC ("Receiver"), under cover of a letter that identifies the defendant, the name and case number of the litigation and the Court. A copy of the cover letter shall be simultaneously sent to counsel for the Commission at its Chicago office, 175 West Jackson Boulevard, Suite 900, Chicago, IL 60604. To the extent that Mason, pursuant to the Consent and Stipulation that he signed in connection with this settlement, has

previously paid any funds into an escrow account for the purpose of partially satisfying his disgorgement obligation under this Final Judgment, the escrow agent is authorized immediately to transfer such funds to the Receiver as provided in this section.

**IV.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that post-judgment interest shall apply to all payments required pursuant to this Final Judgment and that post-judgment interest shall be calculated from the date of entry of this Final Judgment, pursuant to 28 U.S.C. § 1961. All post-judgment interest shall be made payable to "The Dowdell-Receivership" and shall be paid pursuant to the same payment instructions set forth in section III of this order.

**V.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Consent and Stipulation of Defendant Kenneth G. Mason be, and hereby is, incorporated herein with the same force and effect as if fully set out, and that Mason shall comply with this Consent.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that all prior orders in this action freezing the assets of Kenneth G. Mason are hereby lifted, and no such order entered in connection with this action shall be given any further effect.

**VII.**

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

**VIII.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, there being no just reason for delay, pursuant to Fed. R. Civ. P. 54(b), the Clerk of the Court is hereby directed to enter this Final Judgment and to send a certified copy of this Order to all counsel of record.

ENTERED: *Nann E. Moran*  
United States District Judge

*December 14, 2005*  
Date