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J.C. Turk
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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF VIRGINIA
Harrisonburg Division

SECURITIES AND EXCHANGE COMMISSION, :
:
Plaintiff, :
v. :
RUSSELL W. JONES and :
R&D MARKETING, INC., :
Defendants. :

Civil Action No. 5: ²CV00118
Judge
James C. Turk

FINAL JUDGMENT AS TO RUSSELL W. JONES

Defendant Russell W. Jones has entered a general appearance herein; admitted the jurisdiction of this Court over him and over the subject matter of this action; waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure; and without admitting or denying the allegations of the complaint, except as to jurisdiction, which he admits, consented to the entry of this Final Judgment and waived any right to appeal from this Final Judgment. It further appearing that this Court has jurisdiction over Jones and the subject matter hereof, and the Court being fully advised in the premises and there being no just cause for delay, **it is hereby ordered, adjudged and decreed** as follows:

I.

Jones, his agents, servants, employees, and attorneys-in-fact, successors, and assigns and all those persons in active concert or participation with them 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 violating Section 5(a) of the

Securities Act [15 U.S.C. § 77e(a)] by, directly or indirectly, in the absence of any applicable exemption,

- A. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any issuer, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect as to such securities; or
- B. carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, the securities of any issuer, unless and until a registration statement is in effect as to such securities.

II.

Jones, his agents, servants, employees, and attorneys-in-fact, successors, and assigns and all those persons in active concert or participation with them 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 violating Section 5(c) of the Securities Act [15 U.S.C. § 77e(c)] by, directly or indirectly, in the absence of any applicable exemption, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of

the registration statement) any public proceeding of examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

III.

Jones, his agents, servants, employees, and attorneys-in-fact, successors, and assigns and all those persons in active concert or participation with them 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 violating Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], in the offer or sale of any securities by use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly:

- A. to employ any device, scheme, or artifice to defraud; or
- B. to obtain money or property by means of an untrue statement of a material fact or omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- C. to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IV.

Jones, his agents, servants, employees, attorneys-in-fact, successors, and assigns and all those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from violating 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] promulgated thereunder, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or any facility of any national securities exchange:

- A. to employ any device, scheme, or artifice to defraud; or
- B. 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 light of the circumstances under which they were made, not misleading; or
- C. to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, in connection with the purchase or sale of any security.

V.

Jones, his agents, servants, employees, attorneys-in-fact, successors, and assigns and all those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by, directly or indirectly effecting securities transactions for the account of others or engaging in business as a dealer without being registered as a broker-dealer or being associated with a registered broker-dealer for purposes of those transactions or that business.

VI.

In recognition of the outstanding restitution order imposed on Jones in connection with the case of the United States of America v. Russell W. Jones et al., No. 5:02 CR 10093 (W.D.Va.) (Indictment filed September 12, 2002), the Court is not

ordering Jones to pay a civil penalty and is not requiring him to pay disgorgement of \$842,176.00, or pre-judgment interest thereon.

VII.

The annexed Consent of Russell W. Jones is hereby incorporated herein with the same force and effect as if fully set forth herein, and Jones shall comply with all of the undertakings and agreements set forth therein.

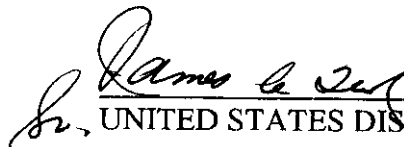
VIII.

This Court shall retain jurisdiction of this action, pursuant to Rule 65(d) of the Federal Rules of Civil Procedure, for all purposes, including the implementation and enforcement of this Final Judgment.

IX.

There being no just cause for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

SO ORDERED, this 25th day of July, 2005 at 9:40 a.m.


UNITED STATES DISTRICT JUDGE