

UNITED STATES DISTRICT COURT  
for the  
DISTRICT OF COLUMBIA

UNITED STATES  
SECURITIES & EXCHANGE COMMISSION,

Plaintiff,

v.

LEWIS J. MCCONNELL, JR.,  
NED L. HUGGINS, and  
GREGORY T. WOOD,

Defendants.

Case Number 1:02 CV 00075  
(RCL)

**FILED**

APR 23 2002

NANCY WATER WILKINGTON, CLERK  
U.S. DISTRICT COURT

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND CIVIL PENALTIES  
AGAINST LEWIS J. MCCONNELL, JR.**

WHEREAS,

1. The Plaintiff, United States Securities and Exchange Commission, filed a Complaint seeking a permanent injunction against Defendant Lewis J. McConnell, Jr, on January 16, 2002.

2. Defendant Lewis J. McConnell, Jr., is a competent, approximately 46 year old citizen of United States residing in Reseda, California.

3. Defendant Lewis J. McConnell, Jr., executed a Waiver of Service of Summons on January 22, 2002. In the Waiver of Service of Summons, Mr. McConnell, Jr., acknowledged receipt of the Complaint in this action and that Judgment could be entered upon him if he did not respond within sixty (60) days after January 17, 2002 (date request was sent).

4. Defendant Lewis J. McConnell, Jr., has failed to make an appearance, to serve, or to file a reply, answer, document or other pleading in this action. The sixty (60) day period of time for the Defendant to reply or answer pursuant to Rule 4(d)(3) has elapsed without a reply, answer, motion, pleading, filing or appearance.

5. This Court has jurisdiction over Defendant Lewis J. McConnell, Jr., and over the subject matter of this action.

THEREFORE:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Lewis J. McConnell, Jr., his agents, servants, employees, attorneys, successors, and assigns, and those persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, and each of them, are permanently restrained and enjoined from violating, or aiding or abetting violations of Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §240.10b-5] by directly or indirectly using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (1) to employ any device, scheme or artifice to defraud;
- (2) to make any untrue statement of a material fact or to 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; or
- (3) 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 or security-based swap agreement.

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Lewis J. McConnell, Jr., his agents, servants, employees, attorneys, successors, and assigns, and those persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, and each of them, are permanently restrained and enjoined from violating, or aiding or abetting violations of Section 17(a) of the Securities Act of 1933 [15 U.S.C. §77q(a)] by directly or indirectly using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (1) to employ any device, scheme or artifice to defraud;
  - (2) to make any untrue statement of a material fact or to 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; or
  - (3) 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 offer or sale of any security or security-based swap

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis J. McConnell, Jr., his agents, servants, employees, attorneys, successors, and assigns, and those persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, and each of them, are permanently restrained and enjoined from violating Section 5(a) of the Securities Act of 1933 [15 U.S.C. § 77e(a)] by directly or indirectly:

- (1) 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 any prospectus or otherwise; or
- (2) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any security for the purpose of sale or for delivery after sale,

while no registration statement is in effect as to the security.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis J. McConnell, Jr., his agents, servants, employees, attorneys, successors, and assigns, and those persons in active concert or participation with him who receive actual notice of this order by personal service or otherwise, and each of them, are permanently restrained and enjoined from violating or aiding or abetting violations of Section 5(c) of the Securities Act of 1933 [15 U.S.C. § 77e(c)] by directly or indirectly making use of any means or instruments of transportation or communication in interstate commerce or of the mails, offering to sell or offering to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed as to the 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 or examination under section 8 of the Securities Act of 1933 [15 U.S.C. § 77h].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lewis J. McConnell, Jr., shall pay to the United States Treasury within ten (10) days of the entry of this Judgment a civil money penalty in the amount of one hundred thousand dollars (\$100,000) together with prejudgment and post judgment interest from the date the Complaint in this action was filed. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Comptroller of the Securities and Exchange Commission; and (D) submitted under cover letter that identifies Mr. McConnell, Jr., as a Defendant in this action, the file number of the action, and a copy of the cover letter and money order or check shall be sent to the Commission's attorney in this action.

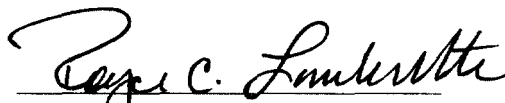
VI.

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

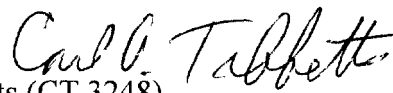
VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, there being no just reason 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 of Permanent Injunction and Civil Penalty Against Lewis J. McConnell, Jr., forthwith and without further notice.

Entered this 22<sup>nd</sup> day of April, 2002.



Honorable Royce C. Lamberth  
United State District Judge  
*United States District Court for the District of Columbia*

Requested by:   
Carl A. Tibbetts (CT 3248),  
District of Columbia Bar No. 281139  
Assistant Chief Litigation Counsel  
United States Securities and Exchange Commission  
450 Fifth Street, N.W., Stop 9-11  
Washington, D.C. 20549-0911  
Telephone: (202) 942-4817  
Facsimile:(202) 942-9581