

UNITED STATES DISTRICT COURT
FOR THE
NORTHERN DISTRICT OF OHIO

SECURITIES AND EXCHANGE COMMISSION,
450 Fifth Street, N.W.
Washington, D.C. 20549

Plaintiff,

v.

KENNETH W. HAVER,

Defendant.

Docket No. 5:02 CV 414
(Gwin)

FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF

Plaintiff Securities and Exchange Commission ("Commission"), having filed a Complaint, and defendant Kenneth W. Haver ("Haver"), in the attached Consent of Kenneth W. Haver ("Consent"), having entered a general appearance herein, having admitted the jurisdiction of this Court over himself and over the subject matter of this action, having waived the filing of an answer to the Complaint, having waived the

entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having waived any right he may have to appeal from the entry of the Final Judgment and, without admitting or denying the allegations of the Complaint, except as to jurisdiction, which he admits, and without presentation of any evidence, trial, argument, or adjudication of any issue of fact or law, having consented to the entry of this Final Judgment of Permanent Injunction and Other Relief ("Final Judgment"), and it further appearing that this Court has jurisdiction over Haver and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Haver, his agents, servants, employees, and attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice hereof, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, 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, by using any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange,

(a) to employ any device, scheme, or artifice to defraud,

(b) 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

(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.

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Haver, his agents, servants, employees, and attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice hereof, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly

- (1) violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)], by knowingly circumventing, or knowingly failing to implement, any system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(2)], and
- (2) violating Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1] by, directly or indirectly, falsifying or causing to be falsified, any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Haver, his agents, servants, employees, and attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice hereof, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and

Rules 13a-1 and 13a-13 [17 C.F.R. §§ 240.13a-1 and 240.13a-13] promulgated thereunder, and Rule 12b-20 [17 C.F.R. § 240.12b-20] promulgated under the Exchange Act, by aiding and abetting the filing with the Commission of any report, required to be filed with the Commission by or on behalf of an issuer pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and the rules and regulations promulgated thereunder, which contains any untrue statement of material fact, omits to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, omits to disclose any information required to be disclosed, or fails to comply in any material respect with the requirements of Section 13(a) of the Exchange Act and the Rules and regulations promulgated thereunder.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Haver, his agents, servants, employees, and attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice hereof, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, aiding and abetting any violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by, with respect to any issuer, failing to make and keep books, records,

and accounts, which, in reasonable detail, accurately and fairly reflect its transactions and the disposition of its assets.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Haver, his agents, servants, employees, and attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice hereof, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, aiding and abetting any violation of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by, with respect to any issuer, failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

- (1) transactions are executed in accordance with management's general or specific authorization;
- (2) transactions are recorded as necessary (a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (b) to maintain accountability for assets;
- (3) access to assets is permitted only in accordance with management's general or specific authorization; and
- (4) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that within thirty (30) days of the entry of this Final Judgment, Haver shall pay the sum of \$75,000 to the United States Treasury, representing a civil penalty, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Such payment shall be made by bank cashier's check, certified check, United States postal money order, or bank money order made payable to the Securities and Exchange Commission and shall be hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop O-3, Alexandria, Virginia 22312. The payment to the Comptroller shall be accompanied by a letter that identifies Haver as the defendant in this action, the civil action number assigned to the Complaint, and the District Court in which the Complaint and this Final Judgment were filed. A copy of the letter and form of payment shall be simultaneously transmitted to Scott W. Friestad, Esq., Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0708.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed Consent is incorporated by reference herein with the same force and effect as if fully set forth herein, and that Haver shall comply with the terms of the Consent.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including implementation and enforcement of the terms and conditions of this Final Judgment and annexed Consent.

IX.

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 forthwith.

s/ James S. Gwin

United States District Judge

DATED: April 9, 2002