

ORIGINAL

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

**RESOURCE DEVELOPMENT INTERNATIONAL,
LLC, DAVID EDWARDS, JAMES EDWARDS, JADE
ASSET MANAGEMENT, LTD, SOUND FINANCIAL
SERVICES, INC, INTERCOASTAL GROUP, LLC,
INTERCOASTAL GROUP II, LLC, KEVIN LYNDY,
GERALD J. STOCK, BLACKWOLF HOLDINGS,
LLC and WILLIAM WHELAN**

Defendants,

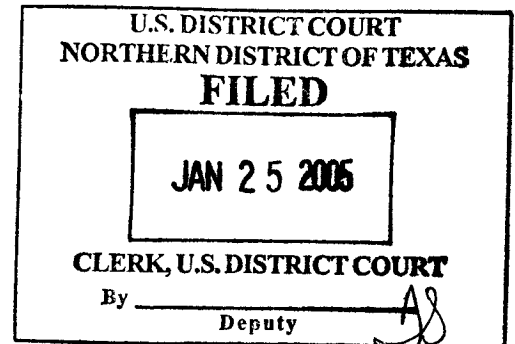
and

**PACIFIC INTERNATIONAL LIMITED
PARTNERSHIP, INTERNATIONAL EDUCATION
RESEARCH CORPORATION, GALAXY ASSET
MANAGEMENT, INC and DAVID CLUFF, Individually
and d/b/a RIVERA TRUST 410**

Defendant Solely for Purposes
of Equitable Relief.

Civil Action No.

3:02-CV-0605-R



**FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF
AS TO DEFENDANT WILLIAM WHELAN**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint in this matter, and Defendant William Whelan ("Whelan"), having admitted service of the Summons and Complaint in this matter, having admitted the jurisdiction of this Court over him and over the subject matter of this action, 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 the right to appeal, and without admitting or denying any of the allegations of the Complaint, except as set forth herein, and without trial, argument or adjudication of any issue of law or fact, having consented to the entry of this Final Judgment of Permanent Injunction and Other Equitable Relief as to Whelan ("Final Judgment"), and it appearing that this Court has jurisdiction over the parties and the subject matter of this action, it appearing that no further notice for the entry of this Final Judgment need be given, and the Court being fully advised in the premises:

I.

IT IS ORDERED, ADJUDGED AND DECREED that Defendant Whelan and his agents, servants, employees, attorneys, and all 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, are restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)], by, directly or indirectly:

- (a) 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
- (b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, a security for the purpose of sale or for delivery after a sale, unless a registration statement is in effect as to that security; or
- (c) 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 with the Securities and Exchange Commission as to that security or while the registration statement is the subject of a refusal order, a stop order, or (prior to the effective date of the registrations statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S. C. § 77h].

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Whelan and his agents, servants, employees, attorneys, and all 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, are restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], from, in the offer or sale of any security, making use of any means or instrumentalities of interstate commerce, or of the mails or of any facility of a national securities exchange, directly or indirectly:

- (a) to employ any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which they were made, not misleading; or
- (c) engaging in any transaction, practice or course of business, which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Whelan and his agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with him who receive actual notice of this Final Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") as amended [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder, by directly or indirectly, in connection with the purchase or sale of any security, making use of any means or instrumentalities 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 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.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Whelan and his agents, servants, employees, attorneys-in-fact and all other 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, from inducing or attempting to induce the purchase or sale of any security other than an exempted security (a) unless and until Whelan is

registered with the Commission under section 15(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78O(b), or (b)(1) unless Whelan's business as a broker and/or dealer is exclusively intrastate and (2) unless Whelan, acting as a broker or dealer, does not make use of any facility of a national securities exchange.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Whelan is liable for disgorgement of \$140,026, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$31,400, for a total of \$171,426. Based on Whelan's sworn representations in his Statement of Financial Condition dated August 4, 2004, and other documents and information submitted to the Commission, however, the Court is not ordering Whelan to pay disgorgement and prejudgment interest and not ordering Whelan to pay a civil penalty. The determination to waive payment of disgorgement plus prejudgment interest and not to impose a civil penalty is contingent upon the accuracy and completeness of Whelan's Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial

information provided by Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1) challenge the validity of this Consent or the Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Whelan's Stipulation and Consent filed herewith be, and the same is hereby, incorporated herein with the same force and effect as if fully set forth herein, and therefore, a breach of the terms of the Stipulation and Consent shall constitute a breach of this Final Judgment.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter and over Defendant Whelan for purposes of enforcing the terms of this Final Judgment and for all other purposes.

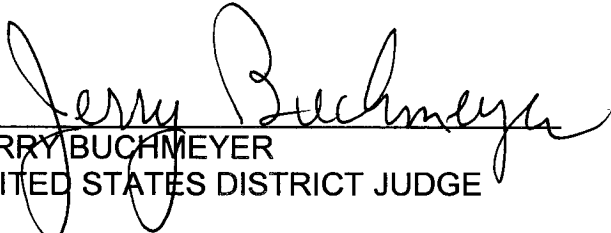
VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Final Judgment may be served upon Defendant Whelan in person or by mail either by the United States Marshall, the Clerk of the Court, or any member of the staff of the Commission.

IX.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment of Permanent Injunction and Other Equitable Relief as to Whelan pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 25 day of JAN., 200~~4~~⁵.



JERRY BUCHMEYER
UNITED STATES DISTRICT JUDGE