

**FILED**  
TIME: \_\_\_\_\_

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

**SEP 27 2004**  
JAMES BONINI, Clerk  
COLUMBUS, OHIO

**U.S. SECURITIES AND EXCHANGE** :  
**COMMISSION,** :  
*Plaintiff,* :  
**vs.** :  
: :  
**VON CHRISTOPHER CUMMINGS,** :  
**PARAMOUNT FINANCIAL PARTNERS, L.P.,** :  
**PARAMOUNT CAPITAL** :  
**MANAGEMENT, L.L.C.,** :  
**JOHN A. RYAN,** :  
**KEVIN L. GRANDY,** :  
**JAMES CURTIS CONLEY,** :  
**KEVIN D. HIGHTOWER,** :  
**MICHAEL J. LOUIS,** :  
**JOHN E. HAWLEY, JR.,** :  
**MICHAEL L. VOGT,** :  
**OMAR BENAUDA** :  
*Defendants,* :  
**GORDON LENDING CORP.,** :  
**GORDON L. YOCOM,** :  
**AND PATRICK SUSEMIHL,** :  
*Relief Defendants.* :

**No. C2 02 629**  
**(Graham J., Kemp M.J.)**

**FINAL JUDGMENT AS TO DEFENDANT KEVIN L. GRANDY**

The Securities and Exchange Commission having filed a Complaint and Defendant Kevin L. Grandy ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (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.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails,

directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of 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.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-6(1), 80b-6(2)], as an investment adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly:

- (a) employing any device, scheme, or artifice to defraud any client or prospective client, or
- (b) engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty in the amount of fifteen thousand dollars (\$ 15,000) pursuant to Section 24 of the Securities Act [15 U.S.C. § 77x], Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 78u (d)(3)] and Section 217 of the Advisers Act [15 U.S.C. § 80b-17]. Defendant shall make this payment within one year after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Kevin L. Grandy as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

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

Dated: September 27, 2004

s/ James L. Graham  
**JAMES L. GRAHAM**  
UNITED STATES DISTRICT JUDGE

Requested by:

Carl A. Tibbetts

Digitally signed by Carl A. Tibbetts  
DN: cn=Carl A. Tibbetts, o=USDC, ou=USDC, email=Carl.A.Tibbetts@usdc.gov, c=US

Carl A. Tibbetts, Assistant Chief Litigation Counsel  
United States Securities Exchange Commission