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**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**J. KENNETH STRINGER III, J.
MARK SAMPER, WILLIAM N.
MARTIN, and STEVEN R.
EAGLEBURGER,**

Defendants.

Civil Action No.:

07'02 1341 ST

**FINAL JUDGMENT OF
PERMANENT INJUNCTION
AND OTHER RELIEF AGAINST
DEFENDANT WILLIAM N.
MARTIN**

Plaintiff Securities and Exchange Commission ("Commission"), having filed and served upon Defendant William N. Martin ("Martin") a Summons and Complaint in this action; Martin having admitted service upon him of the Summons and Complaint in this action and the jurisdiction of this Court over him and over the subject matter of this action; Martin having been fully advised and informed of his right to a judicial determination of this matter; Martin having waived the entry of findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil Procedure; Martin having consented to the entry of this Final Judgment Of Permanent Injunction And Other Relief Against Defendant William N. Martin ("Final Judgment"), without admitting or denying the allegations in the Complaint, except as specifically set forth in the Consent Of Defendant William N. Martin To Entry Of Final Judgment Of Permanent Injunction And Other Relief ("Consent"); no notice of hearing upon the entry of this Final Judgment being necessary; and this Court being fully advised, and there being no just reason for delay:

Final Judgment of Permanent Injunction
and Other Relief Against
Defendant William N. Martin

I.

IT IS ORDERED, ADJUDGED, AND DECREED that Martin and his agents, servants, employees and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme or artifice to defraud;
- B. making any untrue statement of a material fact or omitting 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. engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Martin and his agents, servants, employees and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly:

causing the filing of a required periodic report with the Commission containing any untrue statement of material fact or omitting to state a material fact required to be stated or necessary in order to make the

statements made, in light of the circumstances under which they were made, not misleading;

in violation of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Martin and his agents, servants, employees, and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly:

- A. causing the failure to make and keep accurate books, records and accounts which, in reasonable detail, accurately and fairly reflect financial transactions and disposition of assets;
- B. falsifying, or causing to be falsified books, records or accounts subject to Section 13(b)(2)(A) of the Exchange Act; or
- C. making or causing to be made, or causing another person to omit to state, a materially false or misleading statement, or omitting to state a material fact in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with (1) an audit or examination of financial statements required to be made pursuant to the Exchange Act regulations, or (2) the preparation or filing of reports or documents required to be filed with the Commission pursuant to Exchange Act regulations or otherwise;

in violation of Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), and Rules 13b2-1 and 13b2-2 thereunder, 17 C.F.R. §§ 240.13b2-1 and 240.13b2-2.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Martin and his agents, servants, employees, and all persons in active concert or participation with any of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly, or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

causing the failure to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that financial statements are prepared in conformity with Generally Accepted Accounting Principles;

in violation of Section 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(B).

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Martin and his agents, servants, employees, and all persons in active concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, are permanently restrained and enjoined from, directly or indirectly:

knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account;

in violation of Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5).

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), Martin shall pay civil penalties totaling \$40,000. Martin shall pay this penalty by cashier's check, certified

check or postal money order pursuant to the payment plan outlined below. Payment shall be made payable to the United States Treasury and shall be transmitted to the Office of Financial Management, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312, under cover of a letter which identifies the defendant, the name and case number of this litigation and the name of the Court. A copy of the cover letter and check shall be simultaneously transmitted to counsel for the Commission at its Los Angeles office, located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Martin shall pay disgorgement in the amount of \$40,000, representing his gains related to the conduct charged, plus prejudgment interest thereon in the amount of \$7,025.06 pursuant to the payment plan outlined below. Martin shall pay the disgorgement and prejudgment interest by cashier's check, certified check or postal money order made payable to the United States Securities and Exchange Commission, which shall be transmitted to the Office of Financial Management, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312, under cover of a letter which identifies the defendant, the name and case number of this litigation and the name of the Court. A copy of the cover letter and check shall be simultaneously transmitted to counsel for the Commission at its Los Angeles office, located at 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Martin's payment of disgorgement, prejudgment interest, and civil penalties is to be made pursuant to a three-year payment plan, based upon his sworn representation in his Statement of Financial Condition dated April 17, 2002, and other documents submitted to the Commission. Martin agrees to make an initial payment of \$15,000 by cashier's

check, certified check, or postal money order within thirty (30) days of entry of this Final Judgment. Martin will pay the remaining amount, including postjudgment interest in equal installments of \$12,645.33 every six months and pay the full amount within three (3) years of entry of this Final Judgment.

The determination to permit Martin to satisfy the disgorgement, prejudgment interest and civil penalties over three years is contingent upon the accuracy and completeness of Martin's Statement of Financial Condition dated April 17, 2002, and other documents submitted to the Commission. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Martins'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 Martin, petition this Court for an order modifying this Final Judgment to require Martin to pay immediately the outstanding amounts of disgorgement, prejudgment interest and civil monetary penalties. In connection with any such petition, the only issues shall be (1) whether the financial information provided by Martin was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and (2) the outstanding amounts of disgorgement, prejudgment interest and civil penalties to be paid. In its petition, the Commission may move this Court to consider all available remedies, including , but not limited to, ordering Martin to pay funds or to surrender any assets, or imposing sanctions on Martin for contempt of this Final Judgment. The Commission may also obtain additional discovery in connection with its petition. Martin may not, by way of defense to such petition, challenge the validity of his Consent or this Final Judgment, contest the allegations in the Complaint filed by the Commission, or argue that he is not liable for the payment of disgorgement, prejudgment interest and civil penalties because he did not violate Sections 10(b),

13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Exchange Act, 15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A), 78m(b)(2)(B), and 78m(b)(5), and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1 and 13b2-2 thereunder, 17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13a-1, 240.13a-13, 240.13b2-1 and 240.13b2-2.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Martin is prohibited for ten years, pursuant to Section 21(d)(2) of the Exchange Act, 15 U.S.C. § 78u(d)(2), from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act 15, U.S.C. §78l, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. §78o(d)].

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that during the pendency of this action against any defendant, Martin shall remain subject to the discovery provisions of the Federal Rules of Civil Procedure which apply to parties, and, in addition, that Martin agrees and undertakes, without service or a subpoena, to appear for his deposition or to testify as a witness at any trial of this action or at any related proceeding. Failure to comply with the foregoing will subject Martin to the remedies and sanctions set forth in Rule 37 of the Federal Rules of Civil Procedure and all other available remedies.

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the provisions of the Consent filed concurrently with this Final Judgment are incorporated herein with the same force and effect as if fully set forth herein, and that Martin shall comply with the Consent.

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including to implement, enforce and carry out the terms of this Final Judgment and all other orders and decrees which have been and may be entered herein, and to grant such other relief as the Court may deem necessary and just.

XIII.


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.

IT IS SO ORDERED.

Dated: ^{October}~~September~~ 1, 2002


UNITED STATES DISTRICT JUDGE

Presented by:


Jessica R. Marren
Attorney for Plaintiff
Securities and Exchange Commission