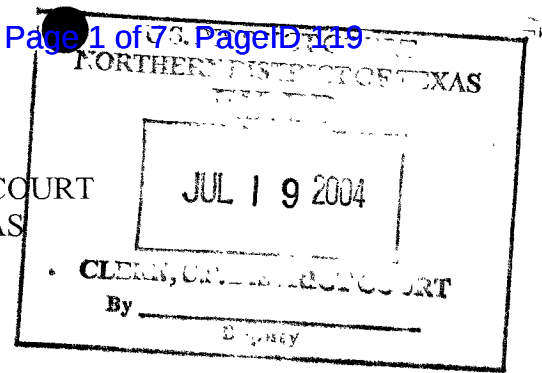


CJM

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



_____ :

SECURITIES AND EXCHANGE COMMISSION :
: vs. :
: Plaintiff, :
: :
: NORTHSTAR NETWORK, INC., TIMOTHY J. :
BUZZELLI and DAVID DUTTON, :
: Defendants, :
: and :
: SHELIA DUTTON, :
: Relief Defendant :
_____ :

No. 3:02-CV-1788M

**FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION AND
OTHER EQUITABLE RELIEF AS TO DAVID DUTTON**

Plaintiff Securities and Exchange Commission (“Commission”), having filed its Complaint for Injunctive and Other Equitable Relief in this matter, and Defendant David Dutton (“Dutton”), 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, 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 and Order of Permanent Injunction and Other Equitable Relief (“Order”), and it appearing that this Court has jurisdiction over the parties and the subject matter of this action, and it appearing that no further notice for the entry of this Order

need be given, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Dutton and his agents, servants, employees, attorneys, and all 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 restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a) and 77e(c)]:

- (a) by making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell any security through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such security;
- (b) by 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 delivery after sale, unless and until a registration statement is in effect with the Commission as to such security; or
- (c) by 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 as to such security, or while a 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 of examination under Section 8 of the Securities Act of 1933, as amended [15 U.S.C. § 77h]; provided, however, that nothing in this Part I

shall apply to any security or transaction in any security that is exempt from the provisions of Section 5 of the Securities Act [15 U.S.C. § 77e].

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Dutton and his agents, servants, employees, attorneys, and all 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 restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by, in the offer or sale of any security, making use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) employing 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 Defendant Dutton and his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, be and hereby are permanently restrained and enjoined, from 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 directly or indirectly, in connection with the purchase or sale of securities, by 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.

Pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant Dutton, his agents, servants, employees, attorneys, and all other 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 hereby permanently prohibited 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)].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Dutton shall pay disgorgement in the amount of \$181,000, jointly and severally with Relief Defendant Shelia Dutton, representing his gains from the conduct alleged in the Complaint,

plus prejudgment interest of \$44,105.86. Based upon Defendant Dutton's representations in his Sworn Statement of Financial Condition dated October 14, 2003, and submitted to the Commission, payment of the above-referenced disgorgement and all prejudgment interest thereon is waived, contingent upon the accuracy and completeness of his Sworn Statement of Financial Condition. Based upon these same representations, the Court is not ordering him to pay a civil money penalty pursuant to the provisions of Section 20(d) of the Securities Act of 1933, [15 U.S.C. § 77t(d)], and Section 21(d)(3) of the Securities Exchange Act of 1934, [15 U.S.C. § 78u(d)(3)]. The determination not to impose a civil penalty and to waive payment of the disgorgement amount and all prejudgment interest thereon is contingent upon the accuracy and completeness of Defendant Dutton's Sworn Statement of Financial Condition. If at any time following the entry of this Final Judgment, the Commission obtains information indicating that Defendant Dutton'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 Dutton, petition this Court for an order requiring Dutton to pay all disgorgement previously waived, plus prejudgment and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant Dutton was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant Dutton to turn over funds and assets, directing the forfeiture of any assets, or sanctions for contempt

of this Final Judgment, and the Commission may also request additional discovery. Defendant Dutton 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 the amount of disgorgement and interest, or assert that disgorgement or payment of a civil penalty should not be ordered.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Dutton'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 Order.

VII.

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

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Order may be served upon Defendant Dutton 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 and Order of Permanent Injunction and Other Equitable Relief as to David Dutton pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 19 day of July, 2004.


UNITED STATES DISTRICT JUDGE

Agreed:


DAVID DUTTON