

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

BASIC CAPITAL MANAGEMENT, INC.

and

GENE E. PHILLIPS,

Defendants.

Civil Action
No.

02 1872

FINAL JUDGMENT

Plaintiff, the United States Securities and Exchange Commission ("Commission"), having filed its Complaint, and defendants Basic Capital Management, Inc. and Gene E. Phillips in the Consent of Basic Capital Management, Inc. and in the Consent of Gene E. Phillips filed simultaneously with this Final Judgment and incorporated herein by reference, having entered a general appearance, having admitted this Court's jurisdiction over them and over the subject matter of this action, having waived service of the Summons and Complaint of Plaintiff and 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 to jurisdiction, which they admit, having consented to the entry of this Final Judgment, and it further appearing that this Court has jurisdiction over both defendants and the subject

matter hereof, and this Court being fully advised in the premises, and without further notice:

I.

IT IS ORDERED, ADJUDGED AND DECREED that defendants Gene E. Phillips and Basic Capital Management, Inc. shall pay a civil penalty of \$850,000, pursuant to Section 21(d)(3) of the Securities Exchange Act of 1934 [15 U.S.C. § 78u(d)(3)], for which they shall be jointly and severally liable.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that payment pursuant to Section I of this Final Judgment shall be made within 30 calendar days after the entry of this Final Judgment. Payment shall be (a) made by United States money order, certified check, bank cashier's check or bank money order, (b) made payable to the "Securities and Exchange Commission" (c) hand-delivered or mailed by certified mail (return receipt requested) to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (d) submitted under cover of a transmittal letter that identifies Gene E. Phillips and Basic Capital Management, Inc. as the defendants in this action, the civil action number assigned to the Complaint, the District Court in which the Complaint, Consent and Final Judgment were filed, and the Commission's internal case number (HO-03316). The Comptroller of the Securities and Exchange Commission shall forward such funds to the proper account at the United States Treasury. Copies of the transmittal letter shall be sent to the Secretary of the Commission, 450 Fifth Street, N.W., Washington, DC 20549-0609 and

simultaneously to Richard C. Sauer, Assistant Director, Division of Enforcement,
Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549-
0803.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
Consent of Gene E. Phillips and the Consent of Basic Capital Management, Inc. be,
and the same hereby are, incorporated herein by reference with the same force and
effect as if fully set forth herein.

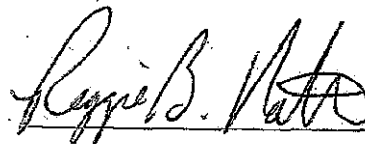
IV.

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

V.

There being no just cause for delay, the Clerk of the Court is directed,
pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final
Judgment forthwith and without further notice.

DATED: November 14, 2002



UNITED STATES DISTRICT JUDGE