

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
ROGER A. HOUSEHOLDER,)
APEX CAPITAL MANAGEMENT)
CORPORATION, APEX LIMITED)
PARTNERSHIP, HOUSEHOLDER)
ACCOUNTING SERVICES, INC., AND)
AAPEX EQUITY ADVISORS, INC.,)
)
Defendants.)

Case No: 02 C 4128

JUDGE MANNING

MAGISTRATE JUDGE BROWN

**FINAL JUDGMENT AS TO DEFENDANTS ROGER A. HOUSEHOLDER
AND HOUSEHOLDER ACCOUNTING SERVICES, INC.**

The Securities and Exchange Commission ("Commission") having filed a Complaint and Defendants Roger A. Householder ("Householder") and Householder Accounting Services, Inc. ("Householder Accounting") (collectively, "Defendants") having entered a general appearance; consented to the Court's jurisdiction over them 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 Householder, Householder Accounting, and their 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 of 1933 [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.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Householder, Householder Accounting, and their 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.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Householder, Householder Accounting, and their 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 ("Advisers Act") [15 U.S.C. §§ 80b-6(1) and 80b-6(2)], while acting as an investment adviser, by using the mails or any means or instrumentality of interstate commerce, directly or indirectly:

- a. to employ any device, scheme or artifice to defraud any client or prospective client;
- b. to engage 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 Householder and his 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 206(4) of the Advisers

Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-4 thereunder [17 C.F.R. § 275.206(4)-4]], while acting as an investment adviser, by using the mails or any means or instrumentality of interstate commerce, directly or indirectly, to engage in any act, practice, or course of business that the Commission has defined by rules as fraudulent, deceptive, or manipulative, including, but not limited to, failing to disclose to any client or prospective client all material facts with respect to any legal or disciplinary event that is material to an evaluation of the adviser's integrity or ability to meet contractual commitments to clients, such as state agency proceedings in which the person was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency denying, suspending, or revoking the authorization of the person to act in, or barring or suspending the person's association with, an investment-related business; or otherwise significantly limiting the person's investment-related activities.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Householder and his 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 207 of the Advisers Act [15 U.S.C. § 80b-7], by willfully making any untrue statement of a material fact in any registration application or report filed with the Commission under Section 203, or 204 of the Advisers Act, or to willfully omit to state in any such application or report any material fact which is required to be stated therein.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are liable, jointly and severally, for disgorgement of \$2,301,026, representing profits gained as a result of the conduct alleged in the Complaint, together with pre-judgment interest thereon in the amount of \$151,773, for a total of \$2,452,799. Based on Defendants' sworn representations in their Statements of Financial Condition (Householder's dated May 10, 2004, September 12, 2003 and March 1, 2003; Householder Accounting's dated May 11, 2004, September 12, 2003 and March 1, 2003), and other documents and information submitted to the Commission, however, the Court is not ordering Defendants to pay civil penalties and payment of all but \$56,890.49 of the disgorgement and prejudgment interest thereon is waived. Defendants shall satisfy this obligation by paying \$56,890.49 within ten business days to the Clerk of this Court, together with a cover letter identifying Householder and Householder Accounting as defendants 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. Defendants shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this case. By making this payment, Defendants relinquish all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Defendants. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the

income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval.

The determination to waive payment of \$2,387,626 of the disgorgement and pre-judgment interest, and not to impose a civil penalty, is contingent upon the accuracy and completeness of Defendants' Statement of Financial Condition. If at any time following the entry of this Final Judgment, the Commission obtains information indicating that Defendants' representations to the Commission concerning their 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 Defendants, petition the Court for an order requiring Defendants 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 Defendants 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 Defendants 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. Defendants may not, by way of defense to such petition: (1) challenge the validity of the Consent of Defendants Roger A. Householder and Householder Accounting Services, Inc. ("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.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendants Roger A. Householder and Householder Accounting Services, Inc. is incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

VIII.

IT IS 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.

IX.

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

Dated: Feb 3, 2005


UNITED STATES DISTRICT JUDGE