

ORIGINAL

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

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
FILED
AUG 11 2004
CLERK, U.S. DISTRICT COURT
BY _____

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

GREENLINE CAPITAL CORPORATION,
A Texas Corporation,
MERRELL W. WILLIAMS, and
TIMOTHY C. OLK

Defendants.

Civil Action No.
3:03-CV-1033-R

AGREED JUDGMENT AND ORDER OF PERMANENT INJUNCTION
AS TO MERRELL W. WILLIAMS

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint for Injunctive and Other Equitable Relief in this matter, and Defendant Merrell W. Williams ("Williams"), 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 Williams 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 Williams 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 Williams 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.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that Defendant and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, is restrained and enjoined from directly or indirectly, engaging in the business of effecting transactions in securities, in the form of investment contracts, or any other security, for his own account or for the account of others, while making use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, banker's acceptances, or commercial bills) unless Defendant is registered as a broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)] and all

applicable rules promulgated thereunder or is otherwise exempt from registration under Section 15(a)(1) of the Exchange Act [15 U.S.C. §78o(a)(1)].

V.

Upon motion of the Commission or at the instance of the Court, the amount of disgorgement or civil penalty or both (if any) to be paid by Williams shall be determined by the Court in light of all the relevant facts and circumstances, following a hearing. At that hearing, the issues will be limited to determining the appropriateness and amount of any such disgorgement or civil penalty. At the hearing, Williams will be precluded from arguing that he did not violate the federal securities laws in the manner described in the complaint herein and, solely for the purposes of such hearing, the allegations of the complaint shall be accepted as and deemed true by the Court. The Court may determine whether to order disgorgement, and whether to order a penalty, and the amounts of any such disgorgement or penalty, on the basis of affidavits, declarations, deposition excerpts and exhibits, or any other information deemed appropriate by the Court. Williams may not, at the hearing, challenge the validity of his Consent or this Agreed Judgment.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Williams' 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 Williams for purposes of enforcing the terms of this Order and for all other purposes.

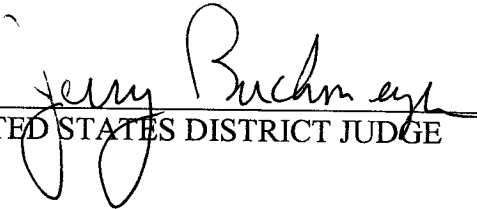
VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Order may be served upon Defendant Williams 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.

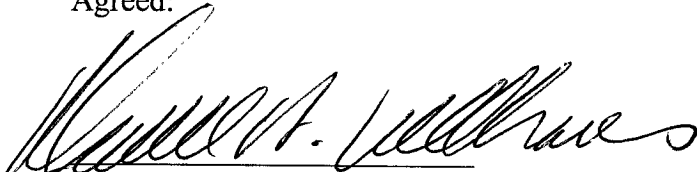
IX.


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 Williams pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 10 day of Aug., 2004.


UNITED STATES DISTRICT JUDGE

Agreed:


MERRELL W. WILLIAMS


RICHARD M. HEWITT
Counsel for Merrell W. Williams