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 U.S. DISTRICT COURT
 NORTHERN DISTRICT OF OHIO
 CLEVELAND

**UNITED STATES DISTRICT COURT
 FOR THE NORTHERN DISTRICT OF OHIO
 EASTERN DIVISION**

United States Securities and Exchange Commission,

Plaintiff,

v.

Gary L. McNaughton, individually and d/b/a
 The Haven Equity Company,
 and Andrew K. Lech,

Defendants.

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 : CASE NO. 1:03CV1249
 : Honorable Dan A. Polster
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**FINAL JUDGMENT AND ORDER OF DISGORGEMENT AGAINST DEFENDANT
 GARY L. MCNAUGHTON, INDIVIDUALLY AND
D/B/A THE HAVEN EQUITY COMPANY**

The United States Securities and Exchange Commission (Commission) having filed a
 Complaint and Defendant Gary L. McNaughton, individually and d/b/a The Haven Equity
 Company (Defendant), having entered a general appearance; consented to the Court's
 jurisdiction over Defendant and the subject matter of this action; consented, on December 1,
 2003, to the entry of an Order of Permanent Injunction against him; consented to entry of this

Final Judgment and Order of Disgorgement (“Final Judgment”) without admitting or denying the allegations of the Commission’s Complaint for Injunctive and Other Equitable Relief (“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 Defendant is liable for disgorgement of \$4,366,313, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$1,862,038, for a total of \$6,228,351. Based on Defendant’s sworn representations in his Statement of Financial Condition dated March 3, 2004, the sworn investigative and deposition testimony McNaughton gave to the Commission, and other documents and information submitted to the Commission, however, the Court is not ordering Defendant to pay a civil penalty and payment of all but \$11,815.24 of the disgorgement and pre-judgment interest thereon is waived. The determination not to impose a civil penalty and to waive payment of all but \$11,815.24 of the disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of Defendant’s Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant’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 Defendant, petition the Court for an order requiring Defendant 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 Defendant 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 Defendant 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. Defendant may not, by way of defense to such petition: (1) challenge the validity of this 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.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall satisfy his disgorgement obligation as stated in Section I of this Final Judgment by paying \$ 11,815.24 within ten business days of entry of the Final Judgment to the Clerk of this Court, together with a cover letter identifying Gary L. McNaughton as a defendant 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. Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel: Daniel R. Gregus, Assistant Regional Director, Securities and Exchange Commission, 175 W. Jackson Blvd., Suite 900, Chicago, Illinois 60604. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds

shall be returned to Defendant. 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.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that TD Waterhouse Investor Services, Inc. shall permit the Defendant to withdraw all of the funds contained in his brokerage account under number 301-00890-1-3 for the sole purpose of depositing such cash into the Registry of the Court.

IV.

IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Defendant's Consent to this Final Judgment is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

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V.

IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED, that this Court shall retain jurisdiction of this matter for all proposes, including, but not limited to enforcement of this Final Judgment.

IT IS SO ORDERED.

Dated: August 23, 2004

A handwritten signature in black ink, appearing to read 'D. Polster', written over a horizontal line.

HONORABLE DAN A. POLSTER
UNITED STATES DISTRICT COURT JUDGE