

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**JACK A. BROWN, JULES B. FLEDER,
BERNARD WARE, ROGER SHERMAN,
TYLER REAL ESTATE, LLC,
MODEL PROPERTIES, INC.,
SMITH MOUNTAIN LAKE, LLC,
COUNTRY LAKE ESTATES, INC.,
PRAIRIE LAKE ESTATES, L.P., and
BIG PINE REAL ESTATE DEVELOPMENT, INC.,**

Defendants,

Case No.: 6:04-CV-537

and

**U S REAL ESTATE PARTNERS, INC.,
KENSINGTON HOLDING CORPORATION,
DEEP WATER HOLDINGS CORP.,
GIBRALTAR ASSET PROTECTION, INC.,
PREFERRED ASSETS, INC.,
MODEL INVESTMENTS, INC.,
J&P BROWN RESOURCES, LTD.,
J P BROWN SERVICES COMPANY, LLC, and
SUMMIT FINANCIAL SERVICES, INC.,**

Defendant Solely for
Purposes of Equitable Relief.

**FINAL JUDGMENT BY DEFAULT
AGAINST JULES B. FLEDER**

This matter came before this Court on the motion of plaintiff, Securities and Exchange Commission (“Commission”), seeking entry of a final judgment by default providing it with the relief requested in its Complaint against defendant Jules B. Fleder (“Defendant”) by reason of his

failure to timely file an answer or other responsive pleading in accordance with the Federal Rules of Civil Procedure (Document No. 224).

This Court, having considered the pleadings and evidence on file herein, makes the following findings of fact and conclusions of law:

1. The Commission's Complaint commencing this civil action against Defendant was filed on December 8, 2004. Defendant was served with the Commission's Complaint and this Court's Summons but failed to appear herein. The Court has jurisdiction over this cause and over Defendant. Based on Defendant's failure to deny the factual allegations in the Commission's Complaint, all factual allegations therein are deemed admitted against him. Accordingly, the Court finds that Defendant violated Section 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder.

2. As a result of the activities alleged in the Complaint, the Defendant realized illicit gains from his violations of the federal securities acts.

3. Defendant is not an infant or incompetent. Defendant is not eligible for relief under the Soldiers' and Sailors' Civil Relief Act of 1940 [50 U.S.C. Appendix, § 501 et seq.].

4. The Commission seeks a final judgment and an order prohibiting Defendant from committing future violations, directly or indirectly, of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, as alleged in the Complaint, and an order terminating the Defendant's interests in assets secured by or under the possession, custody or control of the Court's appointed receiver.

On the basis of the foregoing findings of fact and conclusions of law,

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's 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 [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 Defendant and Defendant's 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 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 FURTHER ORDERED, ADJUDGED, AND DECREED that any and all interests of the Defendant's in any and all assets secured by or under the possession, custody or control of, the Court's appointed receiver are terminated.

IV.


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.

V.

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.

It is SO ORDERED.

SIGNED this 16th day of April, 2007.


MICHAEL H. SCHNEIDER
UNITED STATES DISTRICT JUDGE