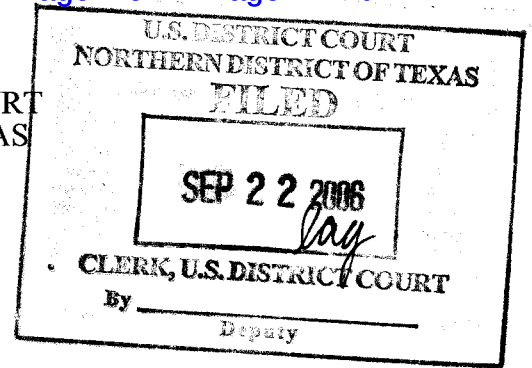


UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MARK KELLY, CHAD LATVAHO,
MARTIN S. ANGEL, and JOHN R. BUCK,

Defendants.

Case No. 3:04-cv-02098-M
ECF

JUDGMENT AND ORDER OF DISMISSAL AS TO DEFENDANT MARK KELLY

The Securities and Exchange Commission having filed a Complaint and Defendant Mark Kelly ("Kelly" or "Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Judgment and Order of Dismissal ("Judgment and Order") 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 Judgment and Order:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant shall pay into the registry of the Court \$50,000.00. Defendant Kelly shall cause payment to be made within ten (10) business days after the parties have signed this Judgment and Order by certified check, bank cashier's check, or United States postal money order payable to the Clerk, U.S. District Court. The payment shall be delivered or mailed to the Office of the Clerk, U.S. District Court, 1100 Commerce Street, Room 1452, Dallas, Texas, 75242 and shall be accompanied by a letter identifying Mark Kelly 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 Judgment and Order. Defendant shall mail a copy of such letter and payment to Helene Morrison, District Administrator, U.S. Securities & Exchange Commission, 44 Montgomery

Street, Suite 2600, San Francisco, California 94104. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Settlement Agreement 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.

III.

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 Judgment and Order.

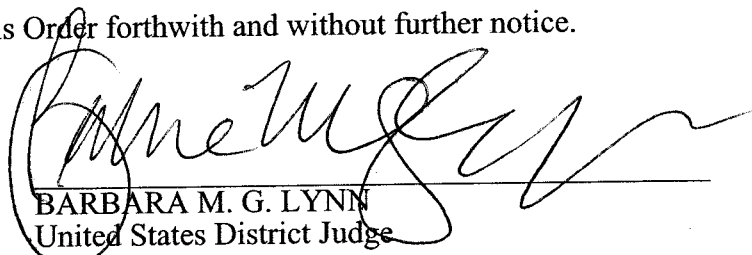
IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that in light of the foregoing terms, all additional claims of the Plaintiff are DISMISSED.

V.

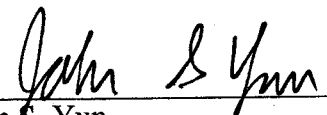
There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Order forthwith and without further notice.

Dated: September 22, 2006



BARBARA M. G. LYNN
United States District Judge

SUBMITTED BY:



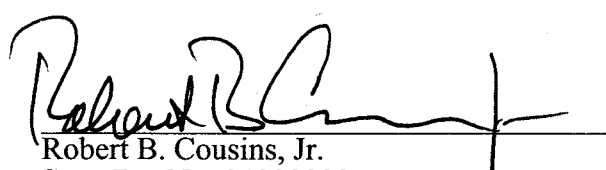
John S. Yun
SECURITIES AND EXCHANGE COMMISSION
44 Montgomery Street, Suite 2600
San Francisco, California 94104
(415) 705-2500
Counsel for Plaintiff

AGREED:



MARK KELLY

APPROVED AS TO FORM:



Robert B. Cousins, Jr.
State Bar No. 04900000

Glast, Phillips & Murray, P.C.
2200 One Galleria Tower
13355 Noel Road, L.B. 48
Dallas, Texas 75240-1518
(972) 419-8300
(972) 419-8329 – facsimile
cousins@gpm-law.com

Counsel for Mark Kelly

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MARK KELLY, CHAD LATVAaho,
MARTIN S. KELLY, and JOHN R. BUCK,

Defendants.

Case No. 3:04-cv-02098-M
ECF



SETTLEMENT AGREEMENT OF DEFENDANT MARK KELLY

1. Defendant Mark Kelly ("Defendant" or "Kelly") acknowledges having been served with the complaint and admits the Court's jurisdiction over him and the subject matter of this action.

2. Without admitting or denying the allegations of the Complaint filed by plaintiff Securities and Exchange Commission ("Plaintiff" or "Commission") (except as to personal and subject matter jurisdiction, which Defendant admits), Kelly hereby consents to the entry of the Judgment and Order of Dismissal as to Defendant Mark Kelly ("Judgment and Order") in the form attached hereto and incorporated by reference herein, which, among other things requires Kelly to pay \$50,000.00 into the registry of the Court.

3. Defendant agrees that he shall not seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any settlement amount that Defendant pays pursuant to the Judgment and Order, regardless of whether such settlement amount or any part thereof is added to a distribution fund or otherwise used for the benefit of investors. Defendant further agrees that he shall not claim, assert, or apply for a tax deduction or tax credit with regard

to any federal, state, or local tax for any settlement amount that Defendant pays pursuant to the Judgment and Order, regardless of whether such settlement amount or any part thereof is added to a distribution fund or otherwise used for the benefit of investors.

4. Defendant waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

5. Defendant waives the right, if any, to a jury trial and to appeal from the entry of the Judgment and Order.

6. Defendant enters into this Settlement Agreement voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employee, agent or representative of the Commission to induce Defendant to enter into this Settlement Agreement.

7. Defendant agrees that this Settlement Agreement shall be incorporated into the Judgment and Order with the same force and effect as if fully set forth therein.

8. Defendant will not oppose the enforcement of the Judgment and Order on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection based thereon.

9. Consistent with 17 C.F.R. § 202.5(f), this Settlement Agreement resolves only the claims asserted against Defendant in this civil proceeding. Defendant acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

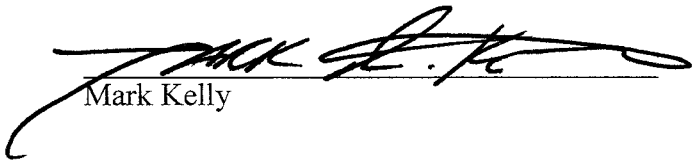
10. Defendant understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Defendant agrees: (i) not to take any action or to make or to permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis. However, this Settlement Agreement shall not be construed as an admission of liability by Defendant. If Defendant breaches this Settlement Agreement, the Commission may petition the Court to vacate the Judgment and Order and to restore this action to its active docket. Nothing in this paragraph affects Kelly's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation in which the Commission is not a party.

11. Defendant hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Defendant to defend against this action. For these purposes, Defendant agrees that neither Defendant nor the Commission is the prevailing party in this action since the parties have reached a good faith settlement.

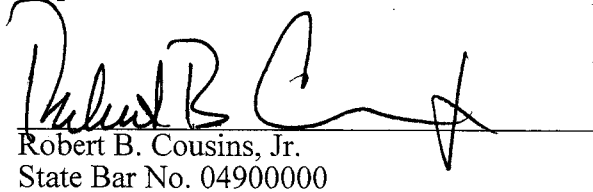
12. Defendant agrees that the Commission may present the Judgment and Order to the Court for signature and entry without further notice.

13. Defendant agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Judgment and Order.

Dated: September 22, 2006


Mark Kelly

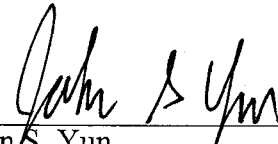
Approved as to form:


Robert B. Cousins, Jr.
State Bar No. 04900000

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Counsel for Mark Kelly

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