

The Honorable John C. Coughenour

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05-CV-01631-ORD

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON**

*CV05-1631z*

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

C. PAUL SANDIFUR, JR., THOMAS G. TURNER,  
DAVID B. SYRE and TRILLIUM CORPORATION

Defendant.

~~PROPOSED~~ JUDGMENT  
AS TO DEFENDANT THOMAS G.  
TURNER

The Securities and Exchange Commission having filed an Amended Complaint and Defendant Thomas G. Turner ("Turner") having entered a general appearance; consented to the Court's jurisdiction over Turner and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the Amended Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Turner and his agents, servants, employees, those with powers of attorney on Turner's behalf, and all persons acting in concert or participation with any of them, who receive actual notice of this Judgment, by personal

~~Proposed~~ Judgment As to Thomas G. Turner  
SEC v. Sandifur, et al., C05-1631C

1 service or otherwise, and each of them, are permanently enjoined and restrained from, directly or  
2 indirectly, violating Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §  
3 77q(a)] by:

- 4 1. employing any device, scheme, or artifice to defraud;
- 5 2. obtaining money or property by means of untrue statements of material fact or by omitting  
6 to state a material fact necessary in order to make the statements made, in light of the  
7 circumstances under which they were made, not misleading, or
- 8 3. engaging in any transaction, practice, or course of business which operates or would  
9 operate as a fraud or deceit upon the purchaser

10 in the offer or sale of any securities by the use of any means or instrumentality of interstate  
11 commerce, or of the mails.

12 II.

13 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Turner and his agents,  
14 servants, employees, attorneys-in-fact, and all persons in active concert or participation with any of  
15 them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them,  
16 are permanently enjoined and restrained from, directly or indirectly, violating, or aiding and abetting  
17 violations of, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §  
18 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder by:

- 19 1. employing any device, scheme, or artifice to defraud;
- 20 2. making any untrue statement of a material fact or omitting to state a material fact  
21 necessary in order to make the statements made, in the light of the circumstances  
22 under which they were made, not misleading; or
- 23 3. engaging in any act, practice, or course of business which operates or would operate as  
24 a fraud or deceit upon any person,

25 in connection with the purchase or sale of the securities of any issuer, by the use of any means or  
26 instrumentality of interstate commerce, or of the mails, or of any facility of any national securities  
27 exchange.

## III.

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2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Turner and his agents,  
3 servants, employees and attorneys-in-fact, and all persons in active concert or participation with any  
4 of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of  
5 them, are permanently enjoined and restrained from aiding and abetting any violation of Section  
6 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 promulgated  
7 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-13] by knowingly providing substantial  
8 assistance to an issuer which has a class of securities registered pursuant to Section 12 of the  
9 Exchange Act [15 U.S.C. § 78l] or Section 15(d) of the Exchange Act [15 U.S.C. § 78o] in failing to  
10 file with the Commission such accurate and complete information, reports, and documents as are  
11 required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §  
12 78m(a)] and the Rules thereunder, including but not limited to, annual reports on Form 10-K [17  
13 C.F.R. § 249.310] as prescribed by Exchange Act Rule 13a-1 [17 C.F.R. § 240.13a-1], quarterly  
14 reports on Form 10-Q [17 C.F.R. § 249.308a] as prescribed by Exchange Act Rule 13a-13 [17 C.F.R.  
15 § 240.13a-13], such information and documents to contain, in addition to such information as is  
16 expressly required to be included in a statement or report to the Commission, such further material  
17 information, if any, as may be necessary to make the required statements, in the light of the  
18 circumstances under which they are made, not misleading, as prescribed by Rule 12b-20 of the  
19 Exchange Act [17 C.F.R. § 240.12b-20].

## IV.

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21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Turner and his agents,  
22 servants, employees, attorneys-in-fact, and all persons in active concert or participation with any of  
23 them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them,  
24 are permanently enjoined and restrained from, directly or indirectly, violating Section 13(b)(5) of the  
25 Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing or failing to implement a system  
26 of internal accounting controls or knowingly falsifying any book, record, or account described in  
27 Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1].  
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V.

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2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Turner and his agents,  
3 servants, employees and attorneys-in-fact, and all persons in active concert or participation with any  
4 of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of  
5 them, are permanently enjoined and restrained from aiding and abetting any violation of Section  
6 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by causing any issuer which has a class  
7 of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or Section 15(d)  
8 of the Exchange Act [15 U.S.C. § 78o] to fail to make or keep books, records or accounts, which, in  
9 reasonable detail, accurately and fairly reflect the transactions and dispositions of the issuer's assets.

10 VI.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Turner and his agents,  
12 servants, employees and attorneys-in-fact, and all persons in active concert or participation with any  
13 of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of  
14 them, are permanently enjoined and restrained from aiding and abetting any violation of Section  
15 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by causing any issuer which has a class  
16 of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or Section 15(d)  
17 of the Exchange Act [15 U.S.C. § 78o] to fail to devise and maintain a system of internal accounting  
18 controls sufficient to provide reasonable assurances that:

19 A. transactions are executed in accordance with management's general or specific  
20 authorization;

21 B. transactions are recorded as necessary (i) to permit preparation of financial statements in  
22 conformity with generally accepted accounting principles or any other criteria applicable to such  
23 statements, and (ii) to maintain accountability for assets;

24 C. access to assets is permitted only in accordance with management's general or specific  
25 authorization; and

26 D. the recorded accountability for assets is compared with the existing assets at reasonable  
27 intervals and appropriate action is taken with respect to any differences.

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## VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Turner and his agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with any of them, who receive actual notice of this Judgment, by personal service or otherwise, and each of them, are permanently enjoined and restrained from violating Rule 13b2-2 of the Exchange Act [17 C.F.R. §240.13b2-2] by making or causing to be made a materially false or misleading statement, or by omitting to state or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with (A) any audit or examination of the financial statements of an issuer required to be made pursuant to the federal securities laws or (B) the preparation or filing of any document or report required to be filed with the Commission pursuant to the federal securities laws or otherwise.

## VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Turner is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

## IX.

Upon motion of the Commission, the Court shall determine whether it is appropriate to order disgorgement and/or a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and, if so, the amount(s) of the disgorgement and/or civil penalty. The Defendant further understands that, if disgorgement is ordered, such order shall include prejudgment interest thereon, calculated from December 1, 2002, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). Defendant further agrees that in connection with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged

1 in the Amended Complaint; (b) Defendant may not challenge the validity of this Consent or the  
2 Judgment; (c) solely for the purposes of such motion, the allegations of the Amended Complaint shall  
3 be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the  
4 motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony,  
5 documentary evidence, or an evidentiary hearing without regard to the standards for summary  
6 judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure.

7 X.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is  
9 incorporated herein with the same force and effect as if fully set forth herein, and that Turner shall  
10 comply with all of the undertakings and agreements set forth therein.

11 XI.

12 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain  
13 jurisdiction of this matter for the purposes of enforcing the terms of this Judgment.

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XII.

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 Judgment forthwith and without further notice.

PRESENTED BY:



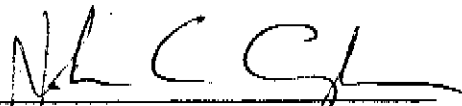
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Attorney for Defendant Thomas G. Turner

Dated this 14 day of Sept, 2007

  
The Honorable John C. Coughenour  
United States District Judge