

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

SECURITIES AND EXCHANGE	§	
COMMISSION,	§	
	§	
Plaintiff,	§	
	§	
v.	§	Civil Action No. 3:08-CV-1467-L
	§	
PATRICK HENRY HAXTON and	§	
ROYAL FOREX MANAGEMENT, LLC,	§	
	§	
Defendants.	§	

DEFAULT JUDGMENT AND PERMANENT INJUNCTION

This judgment is issued in accordance with the court’s orders dated November 14, 2008 and November 25, 2008, in which the court determined that Plaintiff Securities and Exchange Commission (the “Commission” or “Plaintiff”) has satisfied the requirements of Rule 55 of the Federal Rules of Civil Procedure related to entry of a default judgment against Defendant Patrick Henry Haxton (“Haxton”) and Royal Forex Management, LLC (“Royal Forex”) (collectively, “Defendants”).

IT IS HEREBY ORDERED, ADJUDGED, and DECREED that Defendants, their officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with them who receive actual notice of this default judgment and permanent injunction by personal service or otherwise, and each of them, be and hereby 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.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that Defendants, their officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with them who receive actual notice of this default judgment and permanent injunction by personal service or otherwise, and each of them, be and hereby 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.

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that Defendants, their officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with them who receive actual notice of this default judgment and permanent injunction by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from

violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (c) 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 with the Commission as to such security, or while the 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 or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, and DECREED that Defendants Haxton and Royal Forex are jointly and severally liable for disgorgement in the amount of \$264,818.60, together with prejudgment interest thereon in the amount of \$2,433.02, for a total of \$267,251.62.

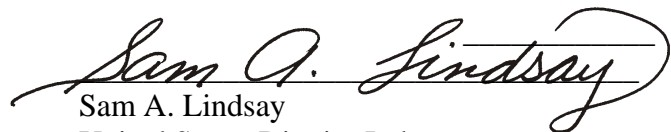
IT IS FURTHER ORDERED, ADJUDGED, and DECREED that Defendant Haxton shall pay a civil penalty in the amount of \$100,000 pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act. Defendant Royal Forex shall pay a civil penalty in the amount of \$500,000 pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act.

Defendants shall pay the disgorgement, prejudgment interest, and civil penalty amounts within thirty (30) business days after entry of this default judgment and permanent injunction by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Defendants as defendants 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 default judgment and permanent injunction. Defendants shall pay any postjudgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

The court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or application by the Commission for additional relief within the jurisdiction of this court, including but not limited to the relief requested by the Commission in its complaint.

This default judgment and permanent injunction may be served upon Defendants in person or by mail either by the United States Marshal, the clerk of the court, or any member of the staff of the Securities and Exchange Commission.

Signed this 25th day of November, 2008.


Sam A. Lindsay
United States District Judge