

UNITED STATES DISTRICT COURT
for the
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,

v.

RICHARD J. COLLINS, D/B/A CAPITAL
INVESTMENT CONCEPTS, LTD., CUTTING
EDGE MARKETING, LIGHT OF THE WORLD,
AND MIDWEST FINANCIAL FUNDS

BILL WILSON,
JEROME COPPAGE,
THE GATEWAY ASSOCIATION, AND
THE GATEWAY ASSOCIATION (ILLINOIS),
Defendants,

and
DAVID MORGENSTERN,
WILLIAM J. WINDSOR,
LINDA A. FEHL,
MALCOLM SILVERMAN,
JANET COLLINS, AND
CHRISTINE TODD,

Relief Defendants.

Civil Action File
No. 01C 3085
Judge Kennelly

Magistrate Judge Nolan

DOCKETED

DEC 14 2001

**ORDER OF PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF
AGAINST JEROME COPPAGE**

Plaintiff United States Securities and Exchange Commission ("Commission"), having filed a Complaint in this matter, and Defendant Jerome Coppage ("Coppage"), in his Consent and Stipulation attached hereto and incorporated herein ("Consent"), having acknowledged receipt of the Complaint and admitted the personal jurisdiction of this Court over him and over the subject matter hereof, and both the

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Commission and Coppage having waived the entry of Findings of Fact and Conclusions of Law as provided by Rule 52 of the Federal Rules of Civil Procedure, and Coppage, without admitting or denying the allegations of the Complaint except as to jurisdiction, and without trial, argument, or adjudication of any issue of fact or law herein, having consented to the entry of this Order of Permanent Injunction and Other Equitable Relief ("Order"), and it further appearing that the Court has jurisdiction over the parties and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that Coppage, his officers, agents, servants, employees, representatives, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly:

- (1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell or offer to sell securities through the use or medium of any prospectus or otherwise, unless a registration statement is in effect with the Commission as to such securities;
- (2) carrying or causing to be carried such securities through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, unless a registration statement is in effect with the Commission as to such securities; or
- (3) 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 such securities, through the use or

medium of any prospectus or otherwise, unless a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order or any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. 77h], in violation of Sections 5(a) or 5(c) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§77e(a) or (c)].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Coppage, his officers, agents, servants, employees, representatives, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, in the offer or sale of any securities:

- (1) employing any device, scheme or artifice to defraud;
- (2) obtaining money or property by means of any untrue statement of material fact or any omission 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
- (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser of such securities,

in violation of Sections 17(a)(1), (2) or (3) of the Securities Act [15 U.S.C. §§77q(a)(1), (2) or (3)].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Coppage, his officers, agents, servants, employees, representatives, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, by the use of 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:

- (1) employing any device, scheme or artifice to defraud;
- (2) making any untrue statement of material fact or any omission 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
- (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5].

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Coppage disgorge all ill-gotten gains received as a result of the conduct alleged in the Commission's Complaint, plus prejudgment interest on that amount. This Court will set the specific amount of disgorgement in a separate hearing upon due notice and motion by the Commission. At that hearing, the issue will be

limited to determining the amount of disgorgement to be ordered and Coppage will be precluded from denying that he violated the federal securities laws.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the imposition of a civil penalty against Coppage may be appropriate. This Court will set the specific amount of the penalty in a separate hearing upon due notice and motion by the Commission. At that hearing, the issue will be limited to determining the amount of the civil penalty to be ordered and Coppage will be precluded from denying that he violated the federal securities laws.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the attached Consent of Coppage be, and hereby is, incorporated herein with the same force and effect as if fully set out herein.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including, but not limited to, entertaining any applications for additional relief and implementing and enforcing this Order.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commission is expressly authorized to engage in continued discovery regarding any issue in this case including, but not limited to, discovery for the purposes of determining the amount of ill-gotten gains and civil penalties, if any; the extent and involvement, if any, of other individuals or entities in the acts alleged in the

Complaint; and any other violations or possible violations of the federal securities laws by Coppage or others.

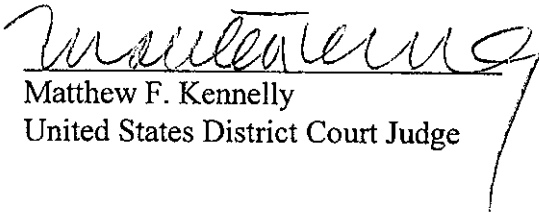
IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that nothing in this Order shall be construed to require Coppage or others to abandon any constitutional or other legal privilege which they may have available to them.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order.

IT IS SO ORDERED.


Matthew F. Kennelly
United States District Court Judge

Dated: 11-17, 2001