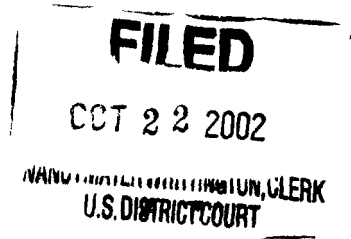


UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

Case No. 1:02CV00397 ESH



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

EAGLE BUILDING TECHNOLOGIES, INC.,
ANTHONY M. DAMATO,

Defendants.

**PERMANENT INJUNCTION AND OFFICER AND DIRECTOR BAR
AGAINST ANTHONY M. DAMATO**

Plaintiff Securities and Exchange Commission filed a complaint on March 1, 2002 requesting the entry of permanent injunctions against defendants Eagle Building Technologies Inc. and Anthony M. Damato prohibiting the defendants from violating the anti-fraud, periodic reporting, and internal record-keeping provisions of Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities Exchange Act of 1934, and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, and 13b2-2. On May 30, 2002, the Court entered a permanent injunction against Eagle Building Technologies, Inc., based on the consent of the company in which it neither admitted nor denied the allegations of the complaint.

The Commission has now moved for entry of a permanent injunction against Anthony M. Damato based upon his consent, in which he agrees, without admitting or denying the allegations in the Complaint, to entry of a permanent injunction which enjoins him from violating the provisions of Sections 10(b), 13(a), 13(b)(2)(A), 13(b)(2)(B), and 13(b)(5) of the Securities

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Exchange Act of 1934, and Rules 10b-5, 12b-20, 13a-1, 13a-13, 13b2-1, and 13b2-2. He also agrees to entry of an order barring him from acting as an officer or director of a public company. The Commission's motion and Damato's consent do not resolve the issues of disgorgement, prejudgment and civil penalties, which will be determined by the Court at a later time.

The Court finds that it has jurisdiction over the subject matter of this action and personal jurisdiction over the defendant Damato, based on his admission of jurisdiction in the Consent.

The Court finds that Damato has waived service of the Complaint pursuant to Rule 4(d) of the Federal Rules of Civil Procedure, the right to present evidence at trial, and preparation of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure on the issues of entry of the permanent injunction, and officer and director bar.

The Court finds that there is a reasonable likelihood that, unless enjoined, Damato will engage in acts in violation of the anti-fraud provisions of Section 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5, the reporting provisions of Section 13(a) of the Securities Exchange Act and Rule 13a-1, 13a-13 and 12b-20, and the record-keeping provisions of Sections 13(b)(2)(a), 13(b)(2)(B), and 13(b)(5) of the Exchange Act and Rules 13b2-1 and 13b2-2. The Court finds that it is in the public interest to bar Damato from acting as an officer or director of a public company.

Now, therefore,

I.

IT IS ORDERED that Anthony M. Damato and his affiliates, agents, servants, employees, 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, are enjoined and restrained 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 a material fact or omitting 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 and Rule 10b-5 (15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5).

II.

IT IS FURTHER ORDERED that Anthony M. Damato, and his affiliates, agents, servants, employees, 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, are enjoined and restrained from aiding and abetting violations of Section 13(a) of the Securities Exchange Act of 1934 and Rules 13a-1, 13a-13, and 12b-20 (15 U.S.C. § 78m(a) and 17 C.F.R. §§ 240.13a-1, 240.13a-13, 240.12b-20) by, directly or indirectly, filing or causing the filing with the Securities and Exchange Commission of any periodic report on behalf of any issuer pursuant to Section 13(a) of the Securities Exchange Act of 1934 and the rules and regulations thereunder, which contains any untrue statement of material fact, or which omits 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 which fails to comply in any material respect with the requirements of such section and the rules and regulations thereunder.

III.

IT IS FURTHER ORDERED that Anthony M. Damato and his affiliates, agents,

servants, employees, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, and each of them, are enjoined and restrained from aiding and abetting violations of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Securities Exchange Act of 1934 and Rule 13b2-1 (15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B) and 17 C.F.R. § 240.13b2-1) by, directly or indirectly, failing to make and keep accurate books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of an issuer; or to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

- transactions are executed in accordance with management's general or specific authorization;
- transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;
- access to assets is permitted only in accordance with management's general or specific authorization; and
- the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

or falsifying or causing to be falsified any book, record or account subject to Section 13(b)(2)(A) of the Securities Exchange Act of 1934.

IV.

IT IS FURTHER ORDERED that Anthony M. Damato and his affiliates, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, and each of them, are enjoined and restrained from violating Rule 13b2-2 (17 C.F.R. § 240.13b2-2), adopted pursuant to the

Securities Exchange Act of 1934, by directly or indirectly causing to be made materially false or misleading statements, or omitting to state or causing other persons to omit to state material facts 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 (1) any audit or examination of the financial statements of the issuer required to be made pursuant to the Securities Exchange Act of 1934 or (2) the preparation or filing of any document or report required to be filed with the Commission pursuant to the Securities Exchange Act of 1934 or otherwise.

V.

IT IS FURTHER ORDERED that Anthony M. Damato and his affiliates, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, and each of them, are enjoined and restrained from violating Section 13(b)(5) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(5)), by knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsified books, records or accounts described in Section 13(b)(2) of the Securities Exchange Act of 1934.

VI.

IT IS FURTHER ORDERED that Anthony M. Damato is hereby 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)).

VII.

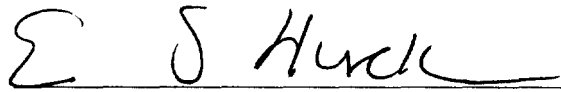
IT IS FURTHER ORDERED that Anthony M. Damato shall sign an affidavit acknowledging receipt of this Permanent Injunction and Officer and Director Bar within twenty days of its receipt of this Order and promptly return the affidavit to Plaintiff's counsel of record for filing with this Court.

VIII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for purposes of determining whether it is appropriate to order Damato to pay disgorgement, pre-judgment interest, and civil penalties, and if so in what amounts, and enforcing the terms and conditions of the permanent injunction, and officer and director bar against Damato.

The Clerk of the Court is directed to send a copy of this order to all counsel of record.

ORDERED on 10 / 22, 2002.



Ellen Segal Huvelle
UNITED STATES DISTRICT JUDGE

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