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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF TEXAS  
ENTERED

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Michael N. Milby, Clerk of Court

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

UNITED STATES COURTS  
SOUTHERN DISTRICT OF TEXAS

FEB 20 2002

Michael N. Milby, Clerk of Court

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

MARK E. RICE d/b/a/ PRIMEX CAPITAL and  
STATUS WINES OF TUSCANY, INC.  
f/k/a PORTALZONE.COM, INC.

Defendants

APPLEGATE SENTRY, S.A.  
PRIMEX (USA), INC.

Relief Defendants

Civil Action  
**H-02 0638**

FINAL JUDGMENT OF PERMANENT INJUNCTION AS TO DEFENDANT MARK E. RICE

1. The Plaintiff Securities and Exchange Commission commenced this action by filing its Complaint. Defendant Mark E. Rice submitted his Consent, in which he waived service of the Complaint upon him, admitted the jurisdiction of this Court over him and the subject matter of this action, waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and waived any right he might have to appeal from the entry of this Final Judgment. Without admitting or denying any of the allegations of the Complaint, except as to jurisdiction, Rice consents to the entry of this Final Judgment of Permanent Injunction and Other Relief.

It appearing that this Court has jurisdiction over Rice and the subject matter of this case, and the Court being fully advised in the premises:

## I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Rice and his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him, who receive actual notice of this Final Judgment, 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 of 1933 [ 15 U.S.C. C. § 77q(a)] by, directly or indirectly, in the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- A. employing any device, scheme or artifice to defraud;
- B. obtaining money or property by means of any untrue statement of a 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
- C. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

## II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Rice and his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with him, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act of 1933 [15 U.S.C. §§ 77e(a) and 77e(c)], directly or indirectly, by: ‘

- A. making use of any means or instruments of interstate commerce, or of the mails, to sell through the use or medium of any prospectus or otherwise, any security whatsoever, unless and until a registration statement has been filed with the Commission;

- B. carrying or causing to be carried through the mails or in interstate commerce by any means or instruments of transportation, any security of any issuer whatsoever, for purposes of sale or delivery after sale, unless and until a registration statement has been filed with the Commission; or
- C. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell or offer to buy through the use or medium of any prospectus or otherwise any security of any issuer whatsoever, unless a registration statement has been filed with the Commission as to such security; provided however, that nothing in the foregoing portion of this injunction shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act of 1933 [15 U.S.C. §§ 77e].

### III.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Rice, his officers, agents, servants, employees, servants and attorneys, and those persons in active concert or participation with him, who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- 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, in connection with the purchase or sale of any security.

IV.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Rice, his officers, directors, agents, employees, servants, attorneys, and those persons in concert or participation with Rice who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined, 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 a distribution of securities, directly or indirectly, from bidding for, purchasing, or attempting to induce any person to bid for or purchase, a covered security during the applicable restricted period, absent any exemption, in violation of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Exchange Act, and Rule 101 of Regulation M, [17 C.F.R. § 242.101] promulgated thereunder.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for purposes of determining whether disgorgement, if any, and prejudgment interest thereon, in an amount subsequently determined by this Court, is appropriate. In connection with any hearing to determine whether disgorgement is appropriate and if so, the amount of disgorgement to be ordered, Rice shall not raise as a defense that he is not liable for the payment of such disgorgement because he did not violate one or more of the provisions of the Exchange Act and rules thereunder set forth in the Judgment.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for purposes of determining whether civil penalties will be

assessed against Rice pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] as appropriate. In connection with any hearing to determine the appropriate amount of civil penalties, Rice shall not raise as a defense that he is not liable for the payment of such civil penalties because he did not violate one or more of the provisions of the Exchange Act and rules thereunder set forth in the Judgment.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of the Consent filed concurrently with this Judgment are incorporated herein with the same force and effect as if fully set forth herein and that Rice shall comply with his Consent.

VIII.

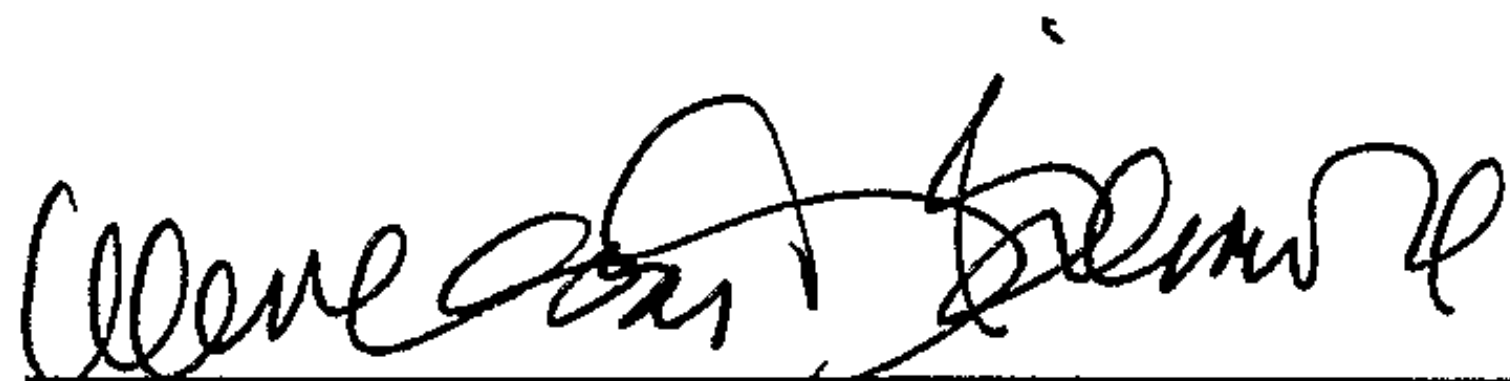
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including to implement and enforce the terms of this Judgment and other orders and decrees which may be entered, to resolve the Commission's pending claims for civil penalties as appropriate, and to grant such other relief as this Court may deem necessary and just.

IX.

Rice waives service of the Final Judgment upon him and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to him of the terms and conditions of the Final Judgment. Rice further agrees that he will execute an acknowledgement of receipt of the Final Judgment and return it to the attorneys for the Commission within ten days after receiving the acknowledgement for filing with this Court.

There being no reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

SO ORDERED, this 5<sup>th</sup> day of March, 2002.

  
United States District Court

Presented by:

  
MICHAEL R. MACPHAIL  
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