



indirectly, Section 10(b) of the Securities Exchange Act of 1934 (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 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 HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED

that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this Order of Permanent Injunction by any manner permitted by this Order of Permanent Injunction are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 (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 HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and those persons in active concert or participation with him, and each of them who receive actual notice of this Order of Permanent Injunction by any manner permitted by this Order, are hereby permanently restrained and enjoined from violating, directly or indirectly, Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §§ 80b-6(1) and 80b-6(2)].

## II.

### **CONTINUATION OF PRELIMINARY INJUNCTION PROHIBITING DEFENDANT FROM SOLICITING, RAISING OR ACCEPTING ANY ADDITIONAL FUNDS IN CONNECTION WITH OFFER, PURCHASE OR SALE OF ANY SECURITIES**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and those persons in active concert or participation with him, and each of them who receive actual notice of this Order of Permanent Injunction by any manner permitted by this Order, remain preliminarily restrained and enjoined from soliciting, raising or accepting any additional funds from any investors in connection with any offer, purchase or sale of any securities, until a Final Judgment is entered in this action resolving all of the Commission's claims, including its claims for monetary relief.

**III.**

**ASSET FREEZE ORDER CONTINUED**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Asset Freeze Order entered by the Court in this action on October 7, 2009, shall remain in full force throughout the duration of this lawsuit up to and including the entry of a final judgment against Defendant, unless such Asset Freeze Order is earlier modified or terminated by further Order of the Court.

**IV.**

**ACCOUNTING AND DISCOVERY-RELATED ORDERS**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Sections III, IV and V of the Preliminary Injunction Order entered on October 15, 2009, (which impose investor identification, accounting, and other discovery-related obligations upon Defendant) shall remain in force, and that the Commission may seek a finding of contempt against Defendant for failure to comply with such Sections of the Preliminary Injunction Order.

**V.**

**MONETARY RELIEF**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and 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)]. The Court shall determine the amounts of the disgorgement and civil penalty upon motion of the Commission. Defendant shall pay prejudgment interest thereon, calculated from the dates he received such ill-gotten gains, 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). 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 in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Order of Permanent Injunction; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

**VI.**

**INCORPORATION OF CONSENT**

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

**VII.**

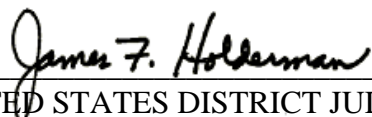
**SERVICE AND NOTICE**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that service of any notices or other documents required or permitted by this Order may be accomplished by any means, including, but not limited to fax, email, overnight courier, personal delivery, or U.S. mail.

**VIII.**

**RETENTION OF JURISDICTION**

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes, including without limitation the enforcement of the terms of this Order of Permanent Injunction, the adjudication and enforcement of Defendant's monetary liability, and the entry and enforcement of any Final Judgment entered against Defendant in this action.

  
UNITED STATES DISTRICT JUDGE  
JAMES F. HOLDERMAN

Dated: October 27, 2009