

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

BRUCE VAN WAGNER, JOCELYN
VAN WAGNER, PETER VAN WAGNER,
MARY JANE REED, LAUREY
VAN WAGNER, ELLIS VAN WAGNER,
MARK VAN WAGNER, BARBARA
BLANCHARD, DUDLEY BLANCHARD
AND CAROL GWALTNEY

Defendants,

DONALD GWALTNEY AND JANE
GWALTNEY

Relief Defendants.

Civil Action No.

97 C 6826

Judge Leinenweber

DOCKETED
MAR 23 2000

**AMENDED FINAL JUDGMENT AND ORDER OF PERMANENT
INJUNCTION, CIVIL PENALTIES AND OTHER EQUITABLE RELIEF**

Plaintiff Securities and Exchange Commission ("Commission"), having filed a Complaint for Permanent Injunction, Civil Penalties and Other Equitable Relief ("Complaint") in this matter, and Defendants Bruce Van Wagner ("Bruce Van Wagner" or "Defendant Bruce Van Wagner"), Peter Van Wagner ("Peter Van Wagner" or "Defendant Peter Van Wagner"), Mary Jane Reed ("Mary Jane Reed" or "Defendant Mary Jane Reed"), Laurey Van Wagner ("Laurey Van Wagner" or Defendant Laurey Van Wagner"), Ellis Van Wagner ("Ellis Van Wagner" or "Defendant Ellis Van Wagner"), Mark Van Wagner ("Mark Van Wagner or Defendant Mark Van Wagner"), Carol Gwaltney ("Carol Gwaltney" or "Defendant Carol

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Gwaltney”), and Relief Defendants Donald Gwaltney (“Don Gwaltney” or “Relief Defendant Don Gwaltney”) and Jane Gwaltney (“Jane Gwaltney” or “Relief Defendant Jane Gwaltney”) each having in their Consent and Stipulation attached hereto as Exhibit 1, 2, 3, 4, 5, 6, 7, 8 and 9, respectively and incorporated herein, acknowledged receipt of the Complaint and admitted the personal jurisdiction of this Court over them, and the Commission and each of the aforementioned Defendants and Relief Defendants having waived the entry of Findings of Fact and Conclusions of Law in this matter, and the Defendants and Relief Defendants, without admitting or denying the allegations of the Complaint except as stated above, and without trial, argument or adjudication of any fact or law herein, having consented to the entry of this Amended Final Judgment and Order of Permanent Injunction, Civil Penalties and Other Equitable Relief (“Final Judgment”), and it further appearing that the Court has jurisdiction over the Defendants and Relief Defendants and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS ORDERED, ADJUDGED AND DECREED that Defendants Bruce Van Wagner, Peter Van Wagner, Mary Jane Reed, Laurey Van Wagner, Ellis Van Wagner, Mark Van Wagner and Carol Gwaltney, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with any of the foregoing 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, directly or indirectly, as principals or aiders and abettors, in connection with the offer or sale of any securities, by the use of any means or

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instruments of transportation or communication in interstate commerce, or by the use of the mails, directly or indirectly-

- A. employing any device, scheme or artifice to defraud;
- B. making any untrue statement of 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
- C. 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 17(a) of the Securities Act of 1933 [15 U.S.C. §§77q(a)].

II.

IT IS ORDERED, ADJUDGED AND DECREED that Defendants Bruce Van Wagner, Peter Van Wagner, Mary Jane Reed, Laurey Van Wagner, Ellis Van Wagner, Mark Van Wagner and Carol Gwaltney, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with any of the foregoing 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, directly or indirectly, as principals or aiders and abettors, in connection with the purchase or sale of any securities, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme or artifice to defraud;

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- B. making any untrue statement of 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
- C. 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 [17 C.F.R. §240.10b-5] thereunder.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Peter Van Wagner shall pay disgorgement in the amount of \$2,115.00, plus prejudgment interest of \$981.28, for a total of \$3,096.28, that Defendant Mary Jane Reed shall pay disgorgement in the amount of \$2,612.40, plus prejudgment interest of \$1,212.05, for a total of \$3,824.45, that Defendant Laurey Van Wagner shall pay disgorgement in the amount of \$11,124.20, plus prejudgment interest of \$5,161.18 for a total of \$16,285.38, that Defendant Ellis Van Wagner shall pay disgorgement in the amount of \$15,112.18, plus prejudgment interest of \$7,011.44, for a total of \$22,123.62, that Defendant Mark Van Wagner shall pay disgorgement in the amount of \$2,150.54, plus prejudgment interest of \$997.76, for a total of \$3,148.30, that Relief Defendant Donald Gwaltney shall pay disgorgement in the amount of \$26,687.50, plus prejudgment interest of \$12,381.93, for a total of \$39,069.43 and that Relief Defendant Jane Gwaltney shall pay disgorgement in the amount of \$3,812.50, plus prejudgment interest of \$1,768.85, for a total of \$5,581.35, representing their respective gains from the conduct alleged in the Complaint, within

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sixty (60) days of the entry of this Final Judgment and that payment of the disgorgement and prejudgment interest shall be made to the Clerk, U.S. District Court, Northern District of Illinois, by cashier's check, certified check or United States postal money order. The Clerk shall deposit this payment or payments into an interest-bearing account and shall deduct from the account any fee authorized by the Judicial Conference of the United States.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Section 21A of the Exchange Act [15 U.S.C. §78uA], within sixty (60) days of the entry of this Final Judgment, Defendant Bruce Van Wagner shall pay a civil money penalty in the amount of \$33,114.32, Defendant Mary Jane Reed shall pay a civil money penalty in the amount of \$2612.40, Defendant Peter Van Wagner shall pay a civil money penalty in the amount of \$2,115.00, Defendant Laurey Van Wagner shall pay a civil money penalty in the amount of \$11,124.20, Defendant Ellis Van Wagner shall pay a civil money penalty in the amount of \$15,112.18, Defendant Mark Van Wagner shall pay a civil money penalty in the amount of \$2,150.54, and Defendant Carol Gwaltney shall pay a civil money penalty in the amount of \$30,500.00 to the United States Treasury. Such payments shall be:

(A) made by United States Postal money order, certified check, bank cashier's check or bank money order;

(B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Bruce Van Wagner, Peter Van Wagner, Mary Jane Reed, Laurey Van

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Wagner, Ellis Van Wagner, Mark Van Wagner and Carol Gwaltney as Defendants in this matter, the case number of this matter, a copy of which cover letter and money order or check shall be sent to Richard J. Gorman, Division of Enforcement, Securities and Exchange Commission, 500 W. Madison Street, Chicago, IL 60661.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consents and Stipulations of Defendants Bruce Van Wagner, Peter Van Wagner, Mary Jane Reed, Laurey Van Wagner, Ellis Van Wagner, Mark Van Wagner and Carol Gwaltney and Relief Defendants Donald Gwaltney and Jane Gwaltney, be, and hereby are, incorporated herein with the same force and effect as if fully set forth herein.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Final Judgment replaces and supercedes the Final Judgment and Order of Permanent Injunction, Civil Penalties and Other Equitable Relief entered by this Court on February 14, 2000.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes including, among other things, any further actions to implement and carry out the terms of all orders and decrees that may be entered or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

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VIII.

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



HON. HARRY D. LEINENWEBER
UNITED STATES DISTRICT JUDGE

DATED: 3/7/00