

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

U. S. DISTRICT COURT
CLERK'S OFFICE

RECEIVED
MAY 11 1998

By: *J. Williams, Clerk*
Deputy Clerk

SECURITIES AND EXCHANGE COMMISSION, :

Civil Action File No.

RONNIE R. NEIHART and SYNVION
CORPORATION, :

1 98-CV-3341

Defendants. :

COMPLAINT FOR INJUNCTIVE AND OTHER RELIEF

It appears to Plaintiff, Securities and Exchange Commission ("Commission" or "SEC"), and it alleges that:

OVERVIEW OF DEFENDANTS' SCHEME

1. This matter involves fraud in the offer and sale of unregistered securities by Synvion Corporation ("Synvion" or the "Company") and its principal, Ronnie R. Neihart ("Neihart").
2. The Commission staff has obtained information that the sales are ongoing and that since July 1997, Synvion sold 11,000,000 shares of stock to 70 investors in six states raising approximately \$961,000.
3. In addition, the staff has obtained information that Neihart has been selling stock since 1985, and that from 1985 through the present, Neihart sold over 60 million shares of unregistered stock to approximately 1,500 investors in 36 states at prices ranging between \$.01 and \$1.00 per share.

4. The staff has information that Neihart sold Synvion securities to investors using oral and written misrepresentations regarding, among other things, that Synvion would be quoted on NASDAQ at a price of up to \$64 per share, the profitability of supercomputers which the company purportedly owns, and an alleged stock lease agreement with Prudential Securities, Inc. ("Prudential").

5. Neihart also misappropriated at least some investor funds for his personal use.

6. Further, Neihart failed to disclose a cease-and-desist order entered against Neihart and the Company by the North Carolina Securities Division on December 6, 1996, prohibiting them from engaging in the fraudulent sale of unregistered stock.

7. Although repeatedly contacted by the staff for information, Synvion and Neihart have failed to cooperate in the Commission's investigation.

8. Both have failed to produce all requested documents and Neihart has failed to appear for testimony on several occasions.

9. Moreover, the staff has obtained evidence that Neihart has asked some shareholders not to cooperate with the Commission staff's investigation.

10. Synvion is a reporting company pursuant to Section 12(g) of the Exchange Act of 1934 ("Exchange Act"); however, its stock is not traded on any exchange or over-the-counter.

11. Synvion is delinquent in its Form 10-K and Form 10-Q filings with the Commission. The last periodic report which Synvion filed was its Form 10-Q for the period ended March 31, 1995.

12. Moreover, defendants Ronnie R. Neihart ("Neihart") and Synvion Corporation ("Synvion") appear to be dissipating and misappropriating investors' funds.

13. Defendants Neihart and Synvion, directly and indirectly, have engaged, and unless enjoined will engage in transactions, acts, practices and courses of business that have constituted and will constitute violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. 77q(a)], 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] promulgated thereunder, and Section 13(a) of the Exchange Act [15 U.S.C. 78m(a) and 78t(a)] and Rules 13a-1 and 13a-13 [17 C.F.R. 240.13a-1 and 13a-13] promulgated thereunder.

14. Pursuant to authority granted by Sections 10(b), 13(a) and 23(a) of the Exchange Act [15 U.S.C. 78j(b), 78m(a), 78t(a), and 78w(a)], the Commission has promulgated Rules 10b-5, 13a-1, and 13a-13, which rules were in effect at all relevant times herein and are now in effect.

JURISDICTION AND VENUE

15. The Commission brings this action pursuant to Sections 20(b) and 20(d) of the Securities Act of the Securities Act [15 U.S.C. 77t(b) and 77t(d)] and Sections 21(d) and 21(e) of the Exchange Act [15 U.S.C. 78u(d) and 78u(e)] to enjoin the defendants from engaging in transactions, acts, practices and courses of business alleged in this complaint, and transactions, acts, practices, and courses of business of similar purport and object, for disgorgement of illegally obtained funds and other equitable relief, and for civil money penalties.

16. The Court has jurisdiction of this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act [15 U.S.C. 77t(b), 77t(d) and 77v(a)] and Sections 21(d), 21(e) and Section 27 of the Exchange Act [15 U.S.C. 78u(d), 78u(e) and 78aa].

17. The defendants, directly and indirectly, made use of the mails, the means and instrumentalities of transportation and communications in interstate commerce, in connection with the transactions, acts, practices and courses of business alleged in the complaint.

18. Certain of the transactions, acts, practices and courses of business constituting violations of the Securities Act and the Exchange Act have occurred in the Northern District of Georgia, including the solicitation of investors who reside within the Northern District of Georgia.

19. The defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices and courses of business of similar purport and object.

THE DEFENDANTS

20. Synvion Corporation is corporate entity incorporated in and existing under the laws of Nevada, with its principal place of business located in Littleton, North Carolina. Synvion has operated since 1985. It was formerly known, for various periods, as Cybertex Enterprises, Inc., North American Gas Corporation and Cumberland Gas, Inc.

21. Ronnie R. Neihart is the President and Chief Executive Officer of the Company and has been the main officer and promoter of the Company since its inception in 1985. Neihart is 49 years old and resides in Macon, North Carolina. Neihart is believed to have tendered his resignation to Synvion's Board of Directors on or about October 8, 1998. It appears that the Board has not accepted Neihart's resignation at this time.

FACTS

A. Synvion's Purported Business Operations

22. According to a business plan dated March 13, 1998, Synvion is a "development stage" company which engaged in the development of oil and gas leases from its inception in 1985 until

1997, when it "halted most of its oil and gas development activities and concentrated its effort toward other endeavors including research and development for commercial Internet telephone and expansion into the World Wide Web Internet database and services business."

23. The business plan also states that Synvion created a soil and water remediation division in 1997 and that the Company's assets are comprised mainly of several supercomputers valued at \$20 million.

B. The Stock Offering

24. Synvion is conducting an unregistered public distribution of securities in violation of Section 5 of the Securities Act of 1933 ("Securities Act").

25. The Commission has obtained information that the sales are ongoing and that since July 1997, Synvion sold 11,000,000 shares of stock to 70 investors in six states raising approximately \$961,000.

26. In addition, the Commission has obtained information that Neihart has been selling stock since 1985 and that from 1985 through the present, Neihart sold over 60 million shares of unregistered stock to approximately 1,500 investors in 36 states at prices ranging between \$.01 and \$1.00 per share.

27. All investors interviewed by the staff indicated that Neihart instructed them to wire their funds for payment of the Synvion stock through Western Union directly to Neihart or various nominees for pickup in Littleton or Roanoke Rapids, North Carolina.

28. Western Union has advised the Commission that Neihart received wire transfers from Oklahoma from September 29 through November 3, 1998, but has not yet identified the transferors the wire transfer records.

29. The Commission staff has interviewed several investors who wired Neihart money during September 1998.

30. The manner of the offering appears to preclude reliance on any of the Regulation D exemptions from registration.

31. The staff interviewed over 40 investors, all of whom reported that they did not receive a prospectus, annual report or other offering documents containing financial statements prior to their purchase of the stock.

32. Also, many of the investors interviewed by the staff do not qualify as accredited investors.

33. Synvion's own transfer agent has advised the Company and Neihart that the offering is a public distribution requiring registration under the Securities Act.

34. Employees of Synvion's transfer agent testified in April 1998 they notified the Company and Neihart that they refused to issue any stock certificates representing original issues of stock because, in their opinion, the Company's activity constituted a public distribution requiring registration under the Securities Act.

35. Although Neihart continued selling stock after April 1998, the transfer agent refused to issue any original issue stock certificates to the new investors.

36. The investors who bought stock after April 1998 received "stock powers" from Synvion, which are corporate resolutions authorizing the issuance of Synvion stock to the investors.

C. Misrepresentations

37. Neihart's solicitations are primarily oral, but are sometimes supplemented with written materials, including shareholder update letters and Synvion business plans. The oral and written solicitations include several misrepresentations, which are set forth below.

i. Quoted on NASDAQ

38. Throughout 1998, Neihart told investors that Synvion stock would be quoted on NASDAQ within two weeks under the ticker symbol "SYNV" at a price of up to \$64 per share.

39. These statements are false.

40. The National Association of Securities Dealers ("NASD") advised the Commission staff that Synvion has never even applied to be quoted on NASDAQ.

ii. Valuation and Commercial Viability of ETA10 Supercomputers

41. Neihart represented to current and prospective investors that Synvion owns several ETA10 supercomputers worth \$20 million and that Synvion is seeking funding to implement several multi-million dollar contracts which it has for Internet applications using the supercomputers.

42. In fact, the ETA10 supercomputers are worthless because they have no viable commercial uses.

43. The ETA10 supercomputers were manufactured by Control Data Corporation ("Control Data").

44. The sworn testimony of the key Control Data employees who designed and manufactured the ETA10s establishes that Control Data stopped manufacturing ETA10

supercomputers in April 1989, and that the ETA10s became worthless soon after the manufacturing terminated.

45. Those employees also testified that the peak processing speed for the ETA10 was 256 megahertz, which is significantly less than the processing speed on personal computers available today for less than \$2,500.

46. Furthermore, it is highly unlikely that the ETA10s can be programmed to perform any Internet applications due to their antiquated operating systems, the lack of available component parts and the scarcity of individuals with the knowledge and ability to program and maintain these computers.

47. Furthermore, the cost to make these supercomputers operational would be astronomical and it is economically irrational to make the ETA10s operational because current computer technology is cheaper, more powerful and significantly easier to maintain than the outdated ETA10 technology.

iii. Contracts with Large Publicly Traded Corporations

48. Neihart reinforced the misrepresentations about the value of the ETA10 supercomputers with additional misrepresentations that Synvion had contracts relating to the supercomputers with several large publicly traded corporations, including NCR Corporation (“NCR”), AT&T Corp. (“AT&T”) and Lucent Technologies, Inc. (“Lucent”).

49. A March 13, 1998, business plan disseminated by Neihart to one shareholder, who then disseminated the business plan to at least three additional shareholders, states that Synvion selected NCR to create a “data warehousing solution” for its supercomputer Internet applications and that the Internet applications incorporate technology from AT&T and Lucent.

50. Furthermore, a June 23, 1997, shareholder letter, signed by Neihart and disseminated to at least seven investors, stated that Synvion had a contract with "AT&T Technical Company (LUCENT Technical Services)" which could generate \$50,000,000 in revenues over the next ten years relating to a supercomputer educational training facility.

51. These statements are false.

52. NCR, AT&T and Lucent have all reported to the Commission staff that they have no record of any contracts with Synvion or Neihart.

53. Moreover, NCR stated that it is highly unlikely that its "data warehousing solution" could be "ported" to, or integrated in, an ETA10 environment.

iv. Lucrative Stock Lease Agreement with Prudential

54. Neihart made oral and written representations to prospective investors that Synvion had arranged a lucrative stock lease agreement with Prudential.

55. Neihart told individual investors that they could lease their stock to Prudential for a period of one year beginning on the date that the stock is quoted on NASDAQ.

56. Neihart also told investors that the terms of the lease agreement provided that Prudential was to pay 51% of the value of the stock to the investors, and then make additional quarterly payments to investors based upon the market value of Synvion's stock.

57. Prudential has informed the Commission staff that it has no such lease agreement with Synvion.

v. North Carolina Cease-and-Desist Order

58. The North Carolina Securities Division issued a cease-and-desist order against the Company, Neihart, and two other Company agents on December 6, 1996.

59. The cease-and-desist order included specific findings that the Company and Neihart misrepresented that the Company would soon be quoted on NASDAQ and listed on a national securities exchange and misled investors with deficient Commission filings including the Form 10-K for the calendar year ended December 31, 1994, and financial statements disseminated to the public.

60. The cease-and-desist order found that the respondents violated the antifraud and registration provisions of North Carolina law and ordered the respondents, among other things, to cease and desist from offering for sale or selling Company stock in or from North Carolina unless or until the securities were registered, to cease and desist from omitting to state material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, and to cease and desist from engaging in acts, practices, or a course of business which would operate as a fraud or deceit upon any person.

61. Despite the North Carolina cease-and-desist order, Synvion and Neihart continued to sell unregistered securities based on fraudulent misrepresentations in and from the state of North Carolina.

62. Moreover, Neihart is misrepresenting the status of the North Carolina cease-and-desist order to investors.

63. The North Carolina Securities Division advised the staff that the cease-and-desist order is, and always has been, in full force and effect.

64. Nonetheless, when asked about the cease-and-desist order by an existing shareholder in January 1998 Neihart stated that "it has been cleared up."

65. That shareholder then purchased additional shares of Synvion stock.

66. Neihart has affirmatively frustrated the Commission staff's investigation and has taken steps to block its efforts to obtain information regarding the sale of Synvion stock.

67. At least five shareholders have reported to the Commission staff that Neihart instructed them not to talk with the staff or to produce documents.

68. Despite assurances of cooperation, Neihart has repeatedly failed to appear for testimony and the defendants have failed to adequately respond to the Commission's requests.

69. The defendants have failed to produce even basic documentation requested of them including documents showing the amount of capital raised through the sales of Synvion securities, current shareholder lists, shareholder letters, tax returns, applications to be quoted on NASDAQ, and the alleged stock lease agreement with Prudential. The documents produced to date are incomplete, irrelevant and non-responsive.

70. Neihart is still selling stock as evidenced by his receipt of Western Union wire transfers from Oklahoma during October and November 1998.

vi. Misuse of Investor Funds

71. Neihart is known to have misappropriated at least some investor funds to his personal use.

72. For example, a North Carolina investor told the Commission staff that he accompanied Neihart on "many occasions" to a Littleton, North Carolina pharmacy and to a Littleton grocery store, both of which are Western Union agents.

73. On these occasions, Neihart obtained funds that had been wired by investors.

74. Neihart frequently used the funds to purchase personal items even before he left the pharmacy and grocery store.

75. For instance, on one occasion Neihart purchased a fishing pole in the pharmacy, and on another occasion Neihart purchased \$200 worth of stone crab legs and beer in the grocery store using investor funds in both instances.

76. In addition, Synvion appears to have no operations, other than issuing stock.

77. It is believed by the Commission staff that Neihart has misappropriated most, if not all, of the investors' funds.

D. Failure to File Periodic Reports

78. Synvion registered its common stock under Section 12(g) of the Exchange Act by filing a Form 10 on December 3, 1990.

79. At no time has Synvion filed a Form 15 seeking to withdraw its registration under Section 12(g).

80. Nevertheless, several years ago the Company ceased filing periodic reports.

81. The last report Synvion filed was a quarterly report on Form 10-Q for the period ended March 31, 1995.

82. Even that report was filed ten months late in March 1996. The Company has filed no periodic reports since then.

CLAIMS FOR RELIEF

COUNT I

Violations of § 17(a) of the Securities Act [15 U.S.C. § 77q(a)]

83. Paragraphs 1-82 are hereby realleged and are incorporated herein by reference.

84. From in or about July 1997 through at least November 1998, the defendants Neihart and Synvion in the offer of securities, specifically the above-described securities, by use of the means and instruments of transportation and communication in interstate commerce or by use of the mails,

(a) directly and indirectly employed devices, schemes and artifices to defraud purchasers of such securities;

(b) directly and indirectly obtained 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, not misleading; and

(c) engaged in transactions, practices and a course of business which would have operated as a fraud or deceit upon the purchasers of such securities, all as more particularly described in paragraphs 1-82 above.

85. Defendants Neihart and Synvion knowingly, intentionally, and/or recklessly engaged in the aforementioned devices, schemes and artifices to defraud.

86. By reason of the foregoing, defendants Neihart and Synvion have violated and, unless restrained and enjoined, will continue to violate § 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

COUNT II

Violations of § 10(b) of the Exchange Act [§ 15 U.S.C. 78j(b) and Rule 10b-5 Thereunder [17 C.F.R. § 240.10b-5]

87. Paragraphs 1-82 are hereby realleged and are incorporated herein by reference.

88. From in or about July 1997 through at least November 1998, the defendants Neihart and Synvion, by their conduct as set forth above, singly and in concert, by the use of means and instruments of interstate commerce and by the use of the mails, directly and indirectly:

(a) employed devices, schemes, and artifices to defraud;

(b) made untrue statements of material facts and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(c) engaged in acts, practices and courses of business which operated as a fraud and deceit upon persons, all more particularly described in paragraphs 1-82 above.

89. Said defendants knowingly, intentionally and/or recklessly engaged in the above-described conduct.

90. The statements and representations alleged herein were known to defendants or recklessly disregarded by them to be materially false and misleading. In making the material misrepresentations of fact and material omissions described herein, defendants acted with scienter, that is, with an intent to deceive, manipulate or defraud with reckless disregard for the truth.

91. By reason of the foregoing, defendants Neihart and Synvion have violated and, unless restrained and enjoined will continue to violate § 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

COUNT III

Violations of § 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a) and 77e(c)]

92. Paragraphs 1-82 are hereby realleged and are incorporated herein by reference.

93. From in or about July 1997 through at least November 1998, defendants Neihart and Synvion, directly and indirectly, singly and in concert have, and unless enjoined will continue to:

(a) make use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities described herein, through the use or medium of any prospectus or otherwise;

(b) carry securities or cause such securities, as described herein, to be carried through the mails or in interstate commerce, by means or instruments of transportation, for the purpose of sale or for delivery after sale; and

(c) make use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell through the use or medium of any prospectus or otherwise the securities described herein,

without a registration statement having been filed or being in effect with the Commission; including but not limited to, the activities described in paragraphs 1-83 above.

COUNT IV

Violations of § 13(a) of the Exchange Act [15 U.S.C. § 78m(a) and 78t(a)]
and Rules 13a-1 and 13a-13 Thereunder [17 C.F.R. § 240.13a-1 and 240.13a-13]

94. Paragraphs 1-82 are hereby realleged and are incorporated herein by reference.

95. From in or about 1996 through at least November 1998, defendants Neihart as a controlling person, and Synvion, directly and indirectly, singly and in concert have, and unless enjoined will continue to neglect, as an issuer of a security registered pursuant to Section 12 of the Exchange Act, to file with the Commission, in accordance with the Commission's rules and regulations:

(a) such information and documents (and such copies thereof) as the Commission shall require to keep reasonably current the information and documents required by be included in or filed with an application or registration statement filed pursuant to section 12; and

(b) such annual reports (and such copies thereof), certified if required by the rules and regulations of the Commission by independent public accountants, and such quarterly reports (and such copies thereof), as the Commission may prescribe, including but not limited to the actions described in paragraphs 1-82 above.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff Commission, respectfully prays that the Court:

I.

Make findings that each and every defendant committed violations alleged herein.

II.

§ 17(a) of the Securities Act

Issue temporary restraining orders, preliminary and permanent injunctions restraining and enjoining defendants Neihart and Synvion as well as their agents, servants, employees, attorneys and all persons in active concert or participation with them, who receive actual notice of the order of injunction, by personal service or otherwise, and each of them 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, from directly or indirectly:

(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 of such securities.

III.

§ 10(b) of the Exchange Act and Rule 10b-5 Thereunder

Issue temporary restraining orders, preliminary and permanent injunctions restraining and enjoining defendants Neihart and Synvion as well as their agents, servants, employees, attorneys, and all persons in active concert or participation with them, who receive actual notice of the order of injunction, by personal service or otherwise, and each of them in connection with the purchase or sale of securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, from directly or indirectly:

(a) employing any device, scheme or artifice to defraud;

(b) making any untrue statement of a material fact or omitting 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) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit on any person.

IV.

§ 5(a) and 5(c) of the Securities Act

Issue a temporary restraining order, preliminary and permanent injunctions restraining and enjoining defendants Neihart and Synvion, as well as their agents, servants, attorneys, and all persons in active concert or participation with them, who receive actual notice of the order of injunction, by personal service, facsimile or otherwise, and each of them, by use of the mails or any means or instrumentality of interstate commerce, from directly or indirectly:

- (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, in the form or common stock or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such securities;
- (b) carrying securities, or causing them to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale, unless and until a registration statement is in effect with the Commission as to such securities;
- (c) 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, through the use or medium of any prospectus or otherwise, any interest in securities, in the form of common stock or any other security;

unless a registration statement is filed with the Commission as to such securities, or while a statement is filed with the Commission as to such security is the subject of a refusal order or stop

order or (prior to the effective date of the registration statement) any public proceeding or examination under section 8 of the Securities Act. [15 U.S.C. 77h];
in violation of section 5 of the Securities Act. [15 U.S.C. 77e].

V.

§ 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 Thereunder

Issue a temporary restraining order, preliminary and permanent injunctions restraining and enjoining defendants Neihart, as a controlling person, and Synvion, as well as their agents, servants, attorneys, and all persons in active concert or participation with them, who receive actual notice of the order of injunction, by personal service, facsimile or otherwise, and each of them from failing to file with the Commission, in accordance with the Commission's rules and regulations:

- (a) such information and documents (and such copies thereof) as the Commission shall require to keep reasonably current the information and documents required by be included in or filed with an application or registration statement filed pursuant to section 12; and
- (b) such annual reports (and such copies thereof), certified if required by the rules and regulations of the Commission by independent public accountants, and such quarterly reports (and such copies thereof), as the Commission may prescribe.

VI.

Order Prohibiting Destruction of Documents

Orders prohibiting defendants Neihart and Synvion, their agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of the orders by personal service, facsimile or otherwise, and each of them, from directly or indirectly,

tampering with, mutilating, altering, erasing, concealing, removing, destroying or otherwise disposing of any and all books, records, documents, files, correspondence, computer tapes, computer disks, computer diskettes or any other data recordings or any type, however created, produced or stored, relating to, pertaining to or referring to the defendants, their officers, directors, employees and agents, or any financial transactions by any of the defendants or to which any of the defendants was a party.

VII.

Order Requiring Accounting, Freeze Of Assets And Disgorgement Of Ill-Gotten Gains

Issue Orders requiring an accounting from the defendants and of all funds received from the sale of securities described in this Complaint, an order freezing the assets of defendants Neihart and Synvion and an order for them to disgorge all ill-gotten gains or unjust enrichment with prejudgment interest (to be enforced in Neihart's bankruptcy proceeding for so long as it is pending or to be enforced in this proceeding in the absence of a pending bankruptcy), to effect the remedial purposes of the federal securities laws.

VIII.

Civil Money Penalties

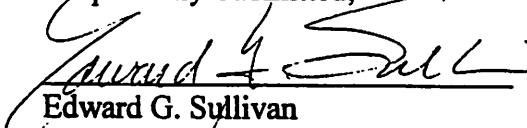
Issue an Order setting the amount of civil penalties against defendant Neihart (to be enforced in Neihart's bankruptcy proceeding for so long as it is pending or to be enforced in this proceeding in the absence of a pending bankruptcy) pursuant to § 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and § 21(d)(3) of the Exchange Act.

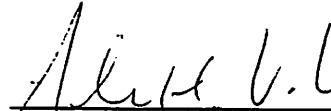
IX.

Other Relief

Issue findings of fact and conclusions of law in accordance with Rule 52 of the Federal Rules of Civil Procedure, along with such other and further relief as may be just, equitable and appropriate in connection with the enforcement of the federal securities laws and for the protection of investors, including but not limited to an officer and director bar against defendant Neihart. Further, the Securities and Exchange Commission respectfully prays that the Court retain jurisdiction over this action in order to implement and carry out the terms of all orders and decrees that are entered or to entertain any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

Respectfully Submitted,


Edward G. Sullivan
Senior Trial Counsel
Georgia Bar No. 691140


Andrew H. Valli
Staff Attorney
Georgia Bar No. 732278

COUNSEL FOR PLAINTIFF
Securities and Exchange Commission
3475 Lenox Road, N.E. Suite 1000
Atlanta, Georgia 30326
(404) 842-7612