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CENTRAL DISTRICT OF CALIF.
SANTA ANA
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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Case No. SA CV 00-17 AHS (EEx)

Plaintiff,

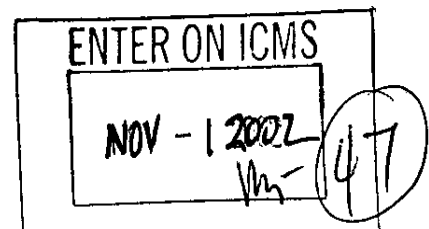
vs.

FINAL JUDGMENT OF PERMANENT
INJUNCTION AND OTHER RELIEF AS
TO JAMES SILVER

PETRO RESOURCES CORP., CLINTON
SAMUEL MCCLINTOCK, AUSTRAL OIL &
EXPLORATION, INC., MYRON J. PALERMO,
ITS CONSULTING, INC., INTEGRITY
FINANCIAL GROUP, TRITECH INVESTMENT
GROUP, LTD., ALAN B. BAIOCCHI, DAVID
E. MORRIS, and JAMES SILVER,

Defendants.

The Plaintiff Securities and Exchange Commission ("Commission") has filed its Complaint seeking permanent injunctions and other relief in this action. The Defendant James Silver ("Silver") has submitted his Consent, which is incorporated by reference. In his Consent, Defendant Silver enters a general appearance in this case, admits the jurisdiction of this Court over him and the subject matter of



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2 this action, acknowledges service of the Amended Complaint on
3 him, waives the filing of an Answer, waives a trial,
4 presentation of evidence, and adjudication of issues of fact or
5 law, waives the entry of findings of fact and conclusions of law
6 pursuant to Rule 52 of the Federal Rules of Civil Procedure, and
7 waives any right he might have to appeal from the entry of this
8 Final Judgment. Without admitting or denying any of the
9 allegations of the Complaint, except as to jurisdiction,
10 Defendant Silver consents to the entry of this Final Judgment of
11 Permanent Injunction.

12 It appearing that this Court has jurisdiction over
13 Defendant Silver and the subject matter of this case, and the
14 Court being fully advised in the premises and there being no
15 just cause for delay:
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18 I.

19 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant
20 Silver and his officers, agents, servants, employees, and those
21 persons in active concert or participation with them, who
22 receive actual notice of this order by personal service or
23 otherwise, and each of them, be and hereby are restrained and
24 enjoined from, directly or indirectly violating Section 17(a) of
25 the Securities Act of 1933 ("Securities Act") [15 U.S.C. §
26 77q(a)] by using any means or instruments of transportation or
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2 communication in interstate commerce, or using the mails, in the
3 offer or sale of any securities, to:

- 4 a. employ any device, scheme, or artifice to defraud;
5 b. obtain money or property by means of any untrue
6 statement of a material fact or any omission to state
7 a material fact necessary in order to make the
8 statements made, in the light of the circumstances
9 under which they were made, not misleading; or
10 c. engage in any transaction, practice, or course of
11 business which operates or would operate as a fraud
12 or deceit upon any purchaser.
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15 II.

16 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
17 Silver and his officers, agents, servants, employees, and those
18 persons in active concert or participation with them who receive
19 actual notice of this order by personal service or otherwise,
20 and each of them, be and hereby are restrained and enjoined
21 from, directly or indirectly, violating Section 10(b) of the
22 Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §
23 78j(b)], and Rule 10b-5 promulgated thereunder [17 C.F.R. §
24 240.10b-5], by using any means or instrumentality of interstate
25 commerce, or of the mails, or of any facility of any national
26 securities exchange, to:

- 27 a. employ any device, scheme, or artifice to defraud;
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2 b. make any untrue statement of a material fact or to
3 omit to state a material fact necessary in order to
4 make the statements made, in light of the
5 circumstances under which they were made, not
6 misleading; or
7 c. engage in any act, practice, or course of business
8 which operates or would operate as a fraud or deceit
9 upon any person,
10 in connection with the purchase or sale of any security.

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13 III.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
15 Silver and his officers, agents, servants, employees, and those
16 persons in active concert or participation with them who receive
17 actual notice of this order by personal service or otherwise,
18 and each of them, be and hereby are restrained and enjoined
19 from, directly or indirectly, violating Section 15(a) of the
20 Exchange Act [15 U.S.C. § 78o(a)] by making use of the mails or
21 any means or instrumentality of interstate commerce to effect
22 any transaction in, or to induce or attempt to induce the
23 purchase or sale of, any security (other than an exempted
24 security or commercial paper, bankers' acceptances, or
25 commercial bills), while engaged in the business of effecting
26 transactions in securities for the account of others or while
27 engaged in the business of buying and selling securities for his
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2 own account, unless he is registered with the Commission as a
3 broker or dealer in accord with Section 15 of the Exchange Act
4 [15 U.S.C. 78o].

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6 IV.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based
8 upon Silver's sworn representations concerning his financial
9 condition, the Court is not ordering him to pay disgorgement or
10 a civil penalty pursuant to Section 21(d)(3) of the Exchange Act
11 [15 U.S.C. §78u(d)(3)] and Section 20(d) of the Securities Act
12 [15 U.S.C. §77t(d)]. If at any time following the entry of this
13 Final Judgment the Commission obtains information indicating
14 that Silver's representations to the Commission concerning his
15 assets, income, liabilities, or net worth were fraudulent,
16 misleading, inaccurate or incomplete in any material respect as
17 of the time such representations were made, the Commission may,
18 at its sole discretion and without prior notice to Silver,
19 petition this Court for an order requiring Silver to pay
20 disgorgement and a civil penalty. In connection with any such
21 petition, the only issues shall be whether the financial
22 information provided by Silver was fraudulent, misleading,
23 inaccurate or incomplete in any material respect as of the time
24 such representations were made, and the amount of disgorgement
25 and civil penalty to be ordered. In its petition, the
26 Commission may move this Court to consider all available
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2 remedies, including, but not limited to, ordering Silver to pay
3 funds or assets, directing the forfeiture of any assets, or
4 sanctions for contempt of this Final Judgment, and the
5 Commission may also request additional discovery. Silver may
6 not, by way of defense to such petition, challenge the validity
7 of his Consent or the Final Judgment, contest the allegations in
8 the Complaint filed by the Commission, or assert that payment of
9 disgorgement or a civil penalty should not be ordered.
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12 V.

13 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
14 Silver shall comply with his undertaking that, at the
15 Commission's request, on reasonable notice and without service
16 of a subpoena, he will cooperate with the Commission and its
17 staff and truthfully disclose all information with respect to
18 his activities and the activities of others about which the
19 Commission or its staff may inquire; testify in all
20 investigations, administrative and judicial proceedings at
21 which the Commission or its staff makes requests for his
22 testimony; make himself available as may be required by the
23 Commission or its staff; produce any documents within his
24 possession, custody or control, domestic or foreign, which are
25 requested by the Commission or its staff; be accompanied at any
26 time he so desires by counsel of his choice; give truthful and
27 accurate information and testimony and not assert any
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2 evidentiary or other privilege, other than the attorney-client
3 and work product privileges; and in the event of his failure to
4 testify truthfully or to comply with the above requirements, be
5 subject to contempt proceedings, charges of perjury and/or
6 charges of obstruction of justice.

7 VI.

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9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
10 attached Consent of Defendant Silver be incorporated by
11 reference with the same force and effect as if fully set forth
12 herein.

13 VII.

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15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
16 Silver, upon entry of this Final Order, shall execute promptly
17 in a form supplied by the Plaintiff, an acknowledgement of
18 service of this Final Order and promptly return the
19 acknowledgement to Plaintiff's counsel of record.

20 VIII.

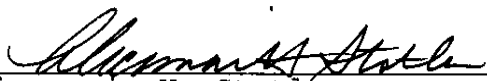
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22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this
23 Court shall retain jurisdiction of this matter for purposes of
24 enforcing this Final Judgment.

25 IX.

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27 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there
28 being no just reason for delay, the Clerk of the Court is hereby

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2 directed, pursuant to Rule 54(b) of the Federal Rules of Civil
3 Procedure to enter this Final Judgment forthwith and without
4 further notice.

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6 DATED this 31st day of October, 2002.

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10 Alicemarie H. Stotler
11 United States District Judge
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