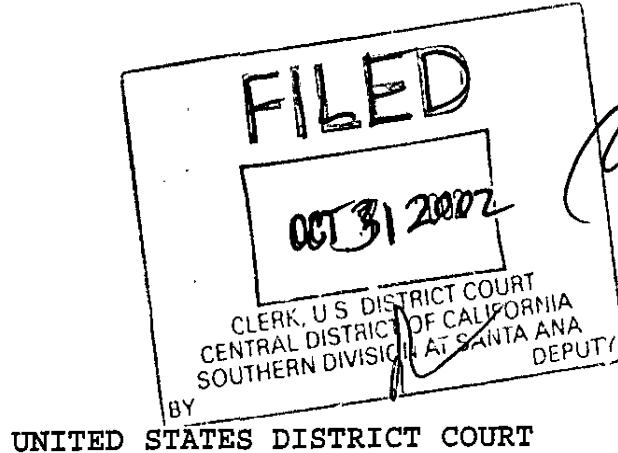


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CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION, AT SANTA ANA  
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FOR THE CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

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

Plaintiff,

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

vs.

PETRO RESOURCES CORP., CLINTON  
SAMUEL MCCLINTOCK, AUSTRAL OIL &  
EXPLORATION, INC., MYRON J. PALERMO,  
ITS CONSULTING, INC., INTEGRITY  
FINANCIAL GROUP, TRIECH 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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1 this action, acknowledges service of the Amended Complaint on  
2 him, waives the filing of an Answer, waives a trial,  
3 presentation of evidence, and adjudication of issues of fact or  
4 law, waives the entry of findings of fact and conclusions of law  
5 pursuant to Rule 52 of the Federal Rules of Civil Procedure, and  
6 waives any right he might have to appeal from the entry of this  
7 Final Judgment. Without admitting or denying any of the  
8 allegations of the Complaint, except as to jurisdiction,  
9 Defendant Silver consents to the entry of this Final Judgment of  
10 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:

17 I.  
18

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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28

1 communication in interstate commerce, or using the mails, in the  
2 offer or sale of any securities, to:

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

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14 II.

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

- 26 a. employ any device, scheme, or artifice to defraud;

- b. 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. 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.

III

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Silver and his officers, agents, servants, employees, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, and each of them, be and hereby are restrained and enjoined from, directly or indirectly, violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by making use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills), while engaged in the business of effecting transactions in securities for the account of others or while engaged in the business of buying and selling securities for his

1 own account, unless he is registered with the Commission as a  
2 broker or dealer in accord with Section 15 of the Exchange Act  
3 [15 U.S.C. 78o].  
4

5

6 IV.  
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8 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based  
9 upon Silver's sworn representations concerning his financial  
10 condition, the Court is not ordering him to pay disgorgement or  
11 a civil penalty pursuant to Section 21(d)(3) of the Exchange Act  
12 [15 U.S.C. §78u(d)(3)] and Section 20(d) of the Securities Act  
13 [15 U.S.C. §77t(d)]. If at any time following the entry of this  
14 Final Judgment the Commission obtains information indicating  
15 that Silver's representations to the Commission concerning his  
16 assets, income, liabilities, or net worth were fraudulent,  
17 misleading, inaccurate or incomplete in any material respect as  
18 of the time such representations were made, the Commission may,  
19 at its sole discretion and without prior notice to Silver,  
20 petition this Court for an order requiring Silver to pay  
21 disgorgement and a civil penalty. In connection with any such  
22 petition, the only issues shall be whether the financial  
23 information provided by Silver was fraudulent, misleading,  
24 inaccurate or incomplete in any material respect as of the time  
25 such representations were made, and the amount of disgorgement  
26 and civil penalty to be ordered. In its petition, the  
27 Commission may move this Court to consider all available  
28

1       remedies, including, but not limited to, ordering Silver to pay  
2       funds or assets, directing the forfeiture of any assets, or  
3       sanctions for contempt of this Final Judgment, and the  
4       Commission may also request additional discovery. Silver may  
5       not, by way of defense to such petition, challenge the validity  
6       of his Consent or the Final Judgment, contest the allegations in  
7       the Complaint filed by the Commission, or assert that payment of  
8       disgorgement or a civil penalty should not be ordered.

10

11

V.

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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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1 evidentiary or other privilege, other than the attorney-client  
2 and work product privileges; and in the event of his failure to  
3 testify truthfully or to comply with the above requirements, be  
4 subject to contempt proceedings, charges of perjury and/or  
5 charges of obstruction of justice.

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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.

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14 VII.

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  
21 VIII.

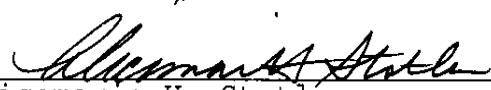
22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this  
23 Court shall retain jurisdiction of this matter for purposes of  
24 enforcing this Final Judgment.

25  
26 IX.

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

1 directed, pursuant to Rule 54(b) of the Federal Rules of Civil  
2 Procedure to enter this Final Judgment forthwith and without  
3 further notice.  
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6 DATED this 31<sup>st</sup> day of October, 2002.  
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10 Alicemarie H. Stotler  
11 United States District Judge  
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