

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

MERIDIAN ASSET MANAGEMENT, INC.,)
and ROBIN McEACHIN,)

Defendants,)

BENEFIT PLANS CONSULTANTS, INC., and)
CONSOLIDATED CAPITAL RESOURCES,)
INC.,)

Relief Defendants.)

CASE NO. 4:00 cv 278

JUDGMENT OF
PERMANENT
INJUNCTION AND
OTHER RELIEF
AS TO DEFENDANTS
AND RELIEF
DEFENDANTS

U.S. DISTRICT COURT
NORTHERN DISTRICT OF FLORIDA
TALLAHASSEE DIVISION

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Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against Defendants Meridian Asset Management, Inc. ("Meridian") and Robin McEachin ("McEachin") (collectively, "Defendants"), and Relief Defendants Benefit Plans Consultants, Inc. ("BP Consultants") and Consolidated Capital Resources, Inc. ("CC Resources") (collectively "Relief Defendants"). In its Complaint, the Commission sought a permanent injunction to prohibit violations by Defendants of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act of 1933 ("Securities Act"), Sections 10b and 15(c)(3) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5 and 15c3-1 thereunder, and Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act"). The Commission also sought other relief against Defendants and Relief Defendants in

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[Rules 56 & 73(a) FRCP or 32(d)(1) & 55 FRCP]

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the form of an asset freeze, accountings, disgorgement and, as against Defendants, assessment of civil penalties.

Defendants and Relief Defendants, by the Consent annexed hereto, without admitting or denying any of the allegations in the Complaint filed by the Commission, except that they are admitting the allegations as to the jurisdiction of this Court over them and over the subject matter of this action, and as to venue, have agreed to the entry of this Judgment of Permanent Injunction And Other Relief ("Judgment"). This Court having accepted such Consent and having jurisdiction over Defendants and Relief Defendants and the subject matter hereof, and the Court being fully advised in the premises:

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**VIOLATION OF SECTIONS 17(a)(1), 17(a)(2)
and 17(a)(3) OF THE SECURITIES ACT OF 1933**

IT IS HEREBY ORDERED that Defendants McEachin and Meridian, their officers, agents, servants, employees, representatives, and all persons in active concert or participation with them, and each of them, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, 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 use of the mails:

- a. willfully, knowingly, or recklessly employing any device, scheme or artifice to defraud;

- b. obtaining money or property by means of any untrue statement of material fact or any omission 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 transaction, practice or course of business which operates or would operate as a fraud or deceit upon purchasers or prospective purchasers of any such securities,

in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3).

II.

**VIOLATION OF SECTION 10(b) OF
THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10b-5 THEREUNDER**

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants McEachin and Meridian, their officers, agents, servants, employees, representatives, and all persons in active concert or participation with them, and each of them, be and they hereby are, permanently restrained and enjoined from, knowingly and willfully, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, in connection with the purchase or sale of any security by use of any means or instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange:

- (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 upon any person,

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

III.

VIOLATION OF SECTION 15(c)(3) OF THE EXCHANGE ACT AND RULE 15c3-1 THEREUNDER

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Meridian, its officers, agents, servants, employees, representatives, and all persons in active concert or participation with it, and each of them, are hereby permanently restrained and enjoined from, directly or indirectly, by use of any means or instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange, effecting any transaction in a security, or inducing or attempting to induce the purchase or sale of any security, when, at the time of the transactions, Meridian has a net capital deficiency in violation of Rule 15c3-1 of the Exchange Act, 17 C.F.R. § 240.15c3-1.

IV.

**AIDING AND ABETTING VIOLATION OF SECTION 15(c)(3)
OF THE EXCHANGE ACT AND RULE 15c3-1 THEREUNDER**

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant McEachin, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, are hereby permanently restrained and enjoined from, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, by use of any means or instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange, aiding or abetting a broker-dealer, including but not limited to Meridian, in effecting any transaction in a security, or inducing or attempting to induce the purchase or sale of any security, when, at the time of the transactions, the broker-dealer has a net capital deficiency in violation of Rule 15c3-1 of the Exchange Act, 17 C.F.R. § 240.15c3-1.

V.

**VIOLATION OF SECTIONS 206(1) and 206(2)
OF THE ADVISERS ACT**

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Meridian, its officers, agents, servants, employees, representatives, and all persons in active concert or participation with it, and each of them, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, by use of the mails or the means or instrumentality of interstate commerce:

- a. employing a device, scheme or artifice to defraud a client or prospective client; or
- b. engaging in any transaction, practice or courses of business which operates or would operate as a fraud or deceit upon a client or prospective client,

in violation of Sections 206(1) or 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

VI.

**AIDING AND ABETTING VIOLATIONS OF SECTIONS
206(1) AND 206(2) OF THE ADVISERS ACT**

IT IS HEREBY FURTHER ORDERED that Defendant McEachin, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, are hereby permanently restrained and enjoined from, directly or indirectly, aiding and abetting any investment adviser, including but not limited to Meridian, from directly or indirectly, by use of the mails or the means or instrumentality of interstate commerce:

- a. employing a device, scheme or artifice to defraud a client or prospective client; or
- b. engaging in any transaction, practice or courses of business which operates or would operate as a fraud or deceit upon a client or prospective client,

in violation of Sections 206(1) or 206(2) of the Advisers Act, 15 U.S.C. §§ 80b-6(1) and 80b-6(2).

VII.

ACCOUNTING

IT IS HEREBY FURTHER ORDERED that Defendant McEachin shall make a sworn accounting to the Commission and this Court, within fifteen (15) days of the entry of this Judgment, of the following:

- a. all receipts and disbursements of funds in Defendant McEachin's personal account(s) in amounts in excess of \$500 from January 1, 1999 to the date of the accounting; and
- b. all assets, monies, funds, or other properties having a market value in excess of \$500 held in Defendant McEachin's name, jointly or individually, or for his direct or indirect beneficial interest, or over which he maintains control or has any beneficial interest, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property.

Defendant McEachin shall not be compelled to provide an accounting over his assertion of his right against self-incrimination under the Fifth Amendment to the United States Constitution.

VIII.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants and Relief Defendants shall disgorge, with prejudgment interest, all ill-gotten profits or proceeds that they received, directly or indirectly, as a result of the acts or courses of conduct described in the Complaint. Defendants and Relief Defendants, and each of them, shall be jointly and severally liable for payment of disgorgement. The dollar amount of disgorgement shall be reached by agreement of the parties or, if the parties are unable to reach agreement, the amount shall be determined by the Court upon the Commission's motion. Solely for the purposes of such a determination by the Court, the allegations of the Complaint shall be deemed

admitted. Defendants and Relief Defendants shall pay all disgorgement within thirty (30) days after the amount is liquidated or determined by the Court.

IX.

PENALTIES

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the amount of civil penalties, if any, that Defendants shall be required to pay pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), and Section 209(e) of the Advisers Act, 15 U.S.C. § 80b-9(e), in connection with the activities described in the Commission's Complaint, shall be determined by the Court upon the Commission's motion. Solely for the purposes of this determination, the allegations of the Complaint shall be deemed admitted.

X.

ASSET FREEZE

IT IS HEREBY FURTHER ORDERED that, until further order of this Court, Defendants and Relief Defendants, their directors, officers, agents, servants, employees, representatives, depositories, banks, and all persons in active concert or participation with any one or more of them, and each of them, be and they hereby are, restrained from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any assets or property owned by, controlled by, or in the possession of Defendants and Relief Defendants, including, but not limited to, cash, free credit balances, fully paid for securities, foreign currency, and/or monies held in bank accounts or foreign currency exchange accounts or brokerage accounts, whether such property or accounts are held within the

United States or abroad, specifically including, but not limited to, the following financial accounts at *Capital City Bank*, Tallahassee, Florida, presently believed to contain such funds:

- a. "account of Robin McEachin"
- b. "account of Meridian Asset Management, Inc."
- c. "account of Meridian Asset Management, Inc., FBO Woodruff Trucking Pension Fund"
- d. "account of Meridian Asset Management, Inc., FBO Florida Police Benevolent Association"
- e. "account of Benefit Plans Consultants, Inc."
- f. "account of Consolidated Capital Resources, Inc."

XI.

RECORDS PRESERVATION

IT IS HEREBY FURTHER ORDERED that the Defendants and Relief Defendants, their directors, officers, agents, servants, employees, representatives, depositories, banks, and all persons in active concert or participation with them, and each of them, be and they hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to the Defendants and Relief Defendants wherever located, until further Order of this Court.

XII.

INCORPORATION OF CONSENT

IT IS HEREBY FURTHER ORDERED that Defendants and Relief Defendants shall comply with the provisions of the Consent attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

XIII.

NOTICES

IT IS HEREBY FURTHER ORDERED that, in the event any Defendant or Relief Defendant is no longer represented by counsel in this action, such Defendant or Relief Defendant shall provide the Commission, at all times during the pendency of this action, with its current address for purposes of service of filings and other communications. Such notice shall be provided in writing to: Teresa J. Verges, Senior Trial Counsel, Securities and Exchange Commission, 1401 Brickell Avenue, Suite 200, Miami, Florida 33131. Should such Defendant or relief Defendant fail to provide such notice, service by mail at the Defendant's or Relief Defendant's last known address shall be deemed proper service.

XIV.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that this Court shall retain jurisdiction over this matter and Defendants and Relief Defendants in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED at 7:23 o'clock, p m. this 31st day of July 2000, at Pensacola, Florida.

Robert H. Hinkle
UNITED STATES DISTRICT JUDGE

Copies to:

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