

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

No. 00 1192

JAMES L. FOSTER, LAURIE F FOSTER,
STEVEN M. BOLLA and WILLIAM E. BUSACKER, Jr.,

Defendants.

FILED

JUN 19 2000

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

JUDGMENT AS TO ALL DEFENDANTS

Defendants James L. Foster, Laurie F. Foster, Steven M. Bolla and William E. Busacker, Jr (“Defendants”) having (i) entered a general appearance; (ii) consented to the Court’s jurisdiction over Defendants and the subject matter of this action; (iii) without admitting or denying the allegations of the Complaint, consented to entry of this Judgment without further notice, (iv) waived findings of fact and conclusions of law; and (v) waived any right to appeal from this Judgment, it is now

ORDERED, ADJUDGED AND DECREED that Defendants, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from:

(a) violating **Section 5(a) and 5(c) of the Securities Act of 1933** (15 U.S.C. §77e(a) and (c)) by, directly or indirectly and in the absence of any applicable exemption, (1) unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or

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otherwise, (2) unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale, and (3) 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 security, unless a registration statement has been filed as to such security, or while the registration statement 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);

(b) violating **Section 17(a) of the Securities Act of 1933** (15 U.S.C. §77q(a)) by, 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, directly or indirectly, (1) employing any device, scheme or artifice to defraud, (2) 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 (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any person,

(c) violating **Section 10(b) of the Securities Exchange Act of 1934** (15 U.S.C. §78j(b)) and **Rule 10b-5** thereunder (17 C.F.R. §240.10b-5) by, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security, (1) employing any device, scheme or artifice to defraud, (2) making any untrue statement of a 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 (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person;

(d) violating **Section 204 of the Investment Advisers Act of 1940** (15 U.S.C. §80b-4 and **Rules 204-2(a)(3) and 204-2(c)(1) and (2)** thereunder (17 C.F.R. §275.204-2(a)(3) and §275.204-2(c)(1) and (2)) by failing to make and keep true, accurate and current the following books and records relating to their investment advisory business (1) a memorandum of each order given by the investment advisor for the purchase or sale of any security, and (2) with respect to the rendering of investment supervisory or management services, records showing separately for each advisory client the securities purchased and sold, and the date, amount and price of each such purchase and sale and records that, for each security in which any client has a current position, enable the investment adviser promptly to furnish the name of each such client and the current interest of that client;

(e) violating **Section 206(1) and 206(2) of the Investment Advisers Act of 1940** (15 U.S.C. §80b-6(1) and (2)) by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, (1) to employ any device, scheme or artifice to defraud any client or prospective client, and (2) to engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client; and

(f) violating **Section 206(4) of the Investment Advisers Act of 1940** (15 U.S.C. §80b-6(1) and **Rule 206(4)-2(a)(1) through (5)** thereunder (17 C.F.R. §275.206(4)-2(a)(1) through (5)) by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to do any act or take any action with respect to client funds or securities in the custody or possession of an investment adviser registered or required to be registered unless they have (i) segregated and marked each security

to identify the particular client who has the beneficial interest, (ii) deposited clients' funds in one or more bank accounts which contain only client funds and maintained records showing the exact amount of each client's beneficial interest in each bank account containing client funds, (iii) notified each client in writing of the place and manner in which funds and securities will be maintained, (iv) sent to each client once every three months an itemized account statement showing that client's funds and securities in the investment adviser's custody at the end of the period, and debits, credits and transactions during the period, and (v) subjected all client funds and securities to an annual examination by an independent public accountant without prior notice to the investment adviser.

ORDERED, ADJUDGED AND DECREED that Defendants James L. Foster, Laurie F. Foster and Steven M. Bolla, and their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from violating **Section 206(4) of the Investment Advisers Act of 1940** (15 U.S.C. §80b-6(1)) and **Rule 206(4)-1(a)(5)** thereunder (17 C.F.R. §275.206(4)-1(a)(5)) by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to publish, circulate or distribute any advertisement which contains any untrue statement of a material fact, or which is otherwise misleading.


ORDERED, ADJUDGED AND DECREED that Defendant Steven M. Bolla pay a civil penalty of \$10,000 pursuant to Section 20(d) of the Securities Act of 1933 (15 U.S.C. §77t(d)), Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. §78u(d)(3)), and Section 209(e) of the Investment Advisers Act of 1940 (15 U.S.C. §80b-9(e)). Defendant shall satisfy this obligation by paying \$10,000 within 10 business days to the Comptroller of the SEC, together with a letter specifying that

payment is made pursuant to this Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. The SEC shall forward such funds to the U.S Treasury.

ORDERED, ADJUDGED AND DECREED that, based on Defendants' demonstrated inability to pay, as shown by sworn financial statements furnished to the SEC, the Court is not directing Defendants James L. Foster, Laurie F Foster and William E. Busacker, Jr. to pay a civil penalty, and is not directing Defendant Steven M. Bolla to pay additional amounts as a civil penalty, pursuant to Section 20(d) of the Securities Act of 1933 (15 U.S.C. §77t(d)), Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. §78u(d)(3)), and Section 209(e) of the Investment Advisers Act of 1940 (15 U.S.C §80b-9(e)) However, if it shall appear that any such financial statement was false or incomplete in any material respect when made, the Defendant who furnished such financial statement shall, on application by the SEC, be ordered to pay a penalty or additional penalty in an amount to be set by the Court.

There being no just reason for delay, the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated. June 19, 2000


UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v

No. _____

JAMES L. FOSTER, LAURIE F. FOSTER,
STEVEN M. BOLLA and WILLIAM E. BUSACKER, Jr.,

Defendants.

FILED

JUN 19 2000

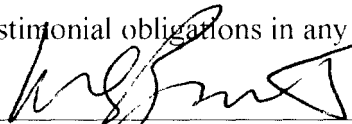
NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

CONSENT OF DEFENDANT WILLIAM E. BUSACKER, JR.

1 Defendant William E. Busacker, Jr. (i) enters a general appearance, (ii) consents to the Court's jurisdiction over Defendant and the subject matter of this action; (iii) without admitting or denying the allegations of the Complaint, consents to entry of the Judgment as to All Defendants submitted with this Consent; (iv) waives findings of fact and conclusions of law, (v) agrees that the Judgment may be presented and entered without further notice; (vi) waives notice of entry and service of the Judgment, (vii) waives any right to appeal from the Judgment, (viii) acknowledges that this Consent and the Judgment embody the entire agreement resolving this action; and (ix) acknowledges that this Consent and the Judgment do not bind any agency of government other than Plaintiff Securities and Exchange Commission and, consistent with 17 CFR §202 5(f), waives any claim of double jeopardy based on settlement of this action

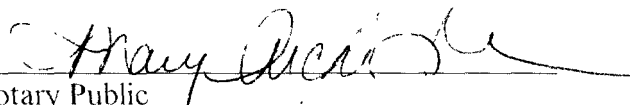
2 Defendant William E. Busacker, Jr. (i) understands the SEC's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint," 17 CFR §202 5(e), (ii) agrees not to make or permit any public

statement directly or indirectly denying the allegations of the Complaint or creating the impression that the Judgment is without factual basis; and (iii) agrees that if Defendant breaches this agreement, the SEC may move the Court to vacate the Judgment and restore this action to its active docket. Nothing in this provision affects Defendant's right to take legal or factual positions in litigation in which the SEC is not a party, or Defendant's testimonial obligations in any matter.



William E. Busacker, Jr

On March 2, 2000, William E. Busacker, Jr., a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.



Notary Public
Commission expires 4/30/2000

MARY ARCHER SMITH
Notary Public, State of New York
Qualified in Albany County
Commission Expires 4/30/2000

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v

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JAMES L FOSTER, LAURIE F FOSTER,
STEVEN M BOLLA and WILLIAM E BUSACKER, Jr.,

Defendants.

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JUN 19 2000

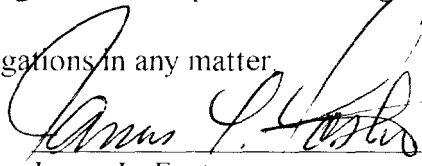
NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

CONSENT OF DEFENDANT JAMES L. FOSTER

1. Defendant James L. Foster (i) enters a general appearance; (ii) consents to the Court's jurisdiction over Defendant and the subject matter of this action, (iii) without admitting or denying the allegations of the Complaint, consents to entry of the Judgment as to All Defendants submitted with this Consent, (iv) waives findings of fact and conclusions of law, (v) agrees that the Judgment may be presented and entered without further notice; (vi) waives notice of entry and service of the Judgment; (vii) waives any right to appeal from the Judgment, (viii) acknowledges that this Consent and the Judgment embody the entire agreement resolving this action; and (ix) acknowledges that this Consent and the Judgment do not bind any agency of government other than Plaintiff Securities and Exchange Commission and, consistent with 17 CFR §202.5(f), waives any claim of double jeopardy based on settlement of this action

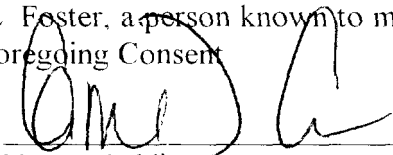
2 Defendant James L Foster (i) understands the SEC's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint," 17 CFR §202 5(e), (ii) agrees not to make or permit any public statement directly

or indirectly denying the allegations of the Complaint or creating the impression that the Judgment is without factual basis; and (iii) agrees that if Defendant breaches this agreement, the SEC may move the Court to vacate the Judgment and restore this action to its active docket. Nothing in this provision affects Defendant's right to take legal or factual positions in litigation in which the SEC is not a party, or Defendant's testimonial obligations in any matter.

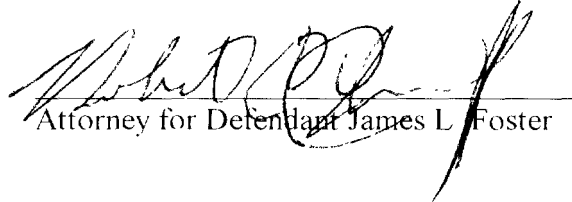

James L. Foster

On March 6, 2000, James L. Foster, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

NOTARIAL SEAL
CARRIE E. COOK, Notary Public
Harrisburg, Dauphin County
My Commission Expires Aug. 8, 2002


Notary Public
Commission expires

Approved as to form


Attorney for Defendant James L. Foster

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

No. _____

JAMES L. FOSTER, LAURIE F. FOSTER,
STEVEN M. BOLLA and WILLIAM E. BUSACKER, Jr.,

Defendants

FILED

JUN 19 2000

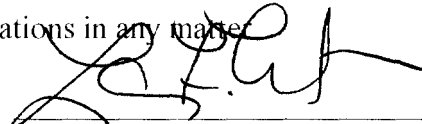
NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

CONSENT OF DEFENDANT LAURIE F. FOSTER

1 Defendant Laurie F. Foster (i) enters a general appearance; (ii) consents to the Court's jurisdiction over Defendant and the subject matter of this action; (iii) without admitting or denying the allegations of the Complaint, consents to entry of the Judgment as to All Defendants submitted with this Consent, (iv) waives findings of fact and conclusions of law, (v) agrees that the Judgment may be presented and entered without further notice; (vi) waives notice of entry and service of the Judgment, (vii) waives any right to appeal from the Judgment, (viii) acknowledges that this Consent and the Judgment embody the entire agreement resolving this action, and (ix) acknowledges that this Consent and the Judgment do not bind any agency of government other than Plaintiff Securities and Exchange Commission and, consistent with 17 CFR §202.5(f), waives any claim of double jeopardy based on settlement of this action.

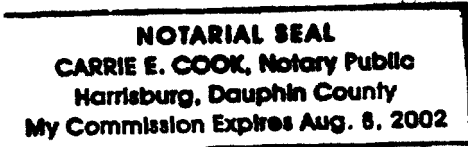
2 Defendant Laurie F. Foster (i) understands the SEC's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint," 17 CFR §202.5(e); (ii) agrees not to make or permit any public statement directly

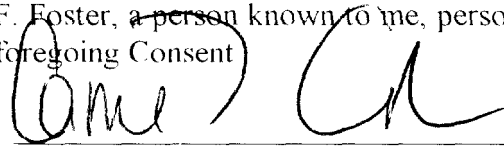
or indirectly denying the allegations of the Complaint or creating the impression that the Judgment is without factual basis, and (iii) agrees that if Defendant breaches this agreement, the SEC may move the Court to vacate the Judgment and restore this action to its active docket. Nothing in this provision affects Defendant's right to take legal or factual positions in litigation in which the SEC is not a party, or Defendant's testimonial obligations in any matter.



Laurie F. Foster

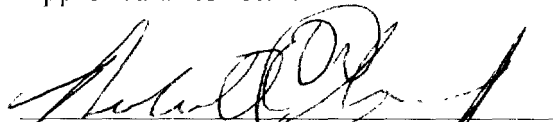
On March 6, 2000, Laurie F. Foster, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.





Notary Public
Commission expires

Approved as to form:



Attorney for Defendant Laurie F. Foster

UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v

No. _____

JAMES L. FOSTER, LAURIE F. FOSTER,
STEVEN M. BOLLA and WILLIAM E. BUSACKER, Jr.,

Defendants.

FILED

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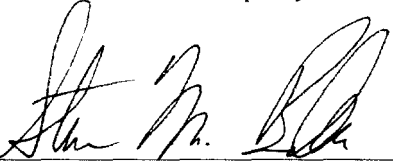
NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

CONSENT OF DEFENDANT STEVEN M. BOLLA

1. Defendant Steven M. Bolla (i) enters a general appearance, (ii) consents to the Court's jurisdiction over Defendant and the subject matter of this action; (iii) without admitting or denying the allegations of the Complaint, consents to entry of the Judgment as to All Defendants submitted with this Consent; (iv) waives findings of fact and conclusions of law; (v) agrees that the Judgment may be presented and entered without further notice, (vi) waives notice of entry and service of the Judgment; (vii) waives any right to appeal from the Judgment; (viii) acknowledges that this Consent and the Judgment embody the entire agreement resolving this action; and (ix) acknowledges that this Consent and the Judgment do not bind any agency of government other than Plaintiff Securities and Exchange Commission and, consistent with 17 CFR §202.5(f), waives any claim of double jeopardy based on settlement of this action.

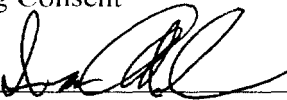
2. Defendant Steven M. Bolla (i) understands the SEC's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint," 17 CFR §202.5(e); (ii) agrees not to make or permit any public statement directly or indirectly

denying the allegations of the Complaint or creating the impression that the Judgment is without factual basis; and (iii) agrees that if Defendant breaches this agreement, the SEC may move the Court to vacate the Judgment and restore this action to its active docket. Nothing in this provision affects Defendant's right to take legal or factual positions in litigation in which the SEC is not a party, or Defendant's testimonial obligations in any matter.



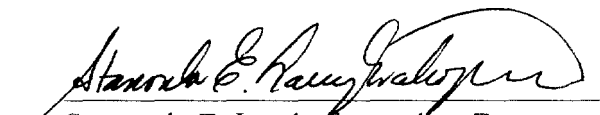
Steven M. Bolla

On 3/20, 2000, Steven M. Bolla, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent



Notary Public
Commission expires: Aug 31, 2003

Approved as to form:



Stavroula E Lambrakopoulos, Esq
Attorney for Defendant Steven M. Bolla