

UNITED STATES DISTRICT COURT  
FOR THE  
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

TIMOTHY J. GAFFNEY,

Defendant.

Case No.:

00 1725

FINAL JUDGMENT

**FILED**

NOV 29 2000

NANCY MAYER WHITTINGTON, CLERK  
U.S. DISTRICT COURT

Plaintiff SECURITIES AND EXCHANGE COMMISSION (the "COMMISSION") having duly commenced this action by filing its Complaint, and defendant TIMOTHY J. GAFFNEY ("GAFFNEY"), in his CONSENT AND UNDERTAKING OF TIMOTHY J. GAFFNEY (the "CONSENT"), having entered a general appearance herein, having consented to the jurisdiction of this Court over him for purposes of this action, having admitted the jurisdiction of this Court over the subject matter of this action, having waived the filing of an Answer to the Complaint and the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and, without admitting or denying any of the allegations of the Complaint, except as to subject matter jurisdiction, which he admits, and without trial, argument or adjudication of any issue of fact or law, having consented to the entry of this FINAL JUDGMENT permanently restraining and enjoining GAFFNEY from directly or indirectly violating Sections 10(b) and

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13(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78m(b)(5)] and Rules 10b-5 and 13b2-1 thereunder [17 C.F.R. §§ 240.10b-5 and 240.13b2-1] and ordering GAFFNEY to pay a \$25,000 civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)], and it further appearing that this Court has jurisdiction over GAFFNEY and the subject matter hereof, and the Court being fully advised in the premises:

**I.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that **TIMOTHY J. GAFFNEY**, his agents, servants, employees, attorneys and those persons in active concert or participation with him who receive actual notice of this **FINAL JUDGMENT** by personal service or otherwise, and each of them, is be permanently restrained and enjoined from directly or indirectly violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §§ 240.10b-5], by directly or indirectly, using any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (1) to employ any device, scheme, or artifice to defraud;
- (2) to make any untrue statement of a material fact or to omit to state a material fact necessary to make the statement made, in light of the circumstances under which they were made, not misleading; or
- (3) to 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.

**II.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that **TIMOTHY J. GAFFNEY**, his agents, servants, employees, attorneys and those persons in active concert or participation with him who receive actual notice of this **FINAL JUDGMENT** by personal service or otherwise, and each of them, is permanently restrained and enjoined from directly or indirectly violating Section 13(b)(5) of the Exchange Act [15 U.S.C. §78m(b)(5)] and Rule 13b2-1 thereunder [17 C.F.R. § 240.13b2-1], by knowingly circumventing or failing to implement a system of internal accounting controls or by directly or indirectly falsifying or cause to be falsified, any book, record or account which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

**III.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that **GAFFNEY** pay a civil penalty of \$25,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)]. Payment shall be made within ten (10) days of entry of the **FINAL JUDGMENT**, by U.S. postal money order, certified check, bank cashier's check, wire transfer or bank money order, made payable to the Treasury of the United States; and shall be transmitted to the Commission in accordance with instructions to be provided by the Commission's staff.


**IV.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the annexed **CONSENT** be, and the same hereby is, incorporated herein by reference with the same force and effect as if fully set forth herein.

V.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this **FINAL JUDGMENT**.

Dated:

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UNITED STATES DISTRICT JUDGE