

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

SECURITIES & EXCHANGE COMMISSION,

Plaintiff,

v.

STEVEN MCMICHAEL, ROBERT J. MAIETTA,
EDWARD CHRISTIAN FARNI, ARTHUR J. PETRIE,
DOUGLAS C. SELANDER, DALE E. BARLAGE,
and STEPHEN D. GELLAS,

Defendants-

CIVIL ACTION
CASE NO.
3-96-405

JUDGE
Michael J. Davis

**AGREED ORDER OF PERMANENT INJUNCTION AND OTHER
EQUITABLE RELIEF AGAINST DEFENDANT ROBERT J. MAIETTA**

Plaintiff United States Securities and Exchange Commission ("Commission") having filed a Complaint for a Permanent Injunction and Other Equitable Relief ("Complaint") in this matter, and Defendant Robert J. Maietta ("Maietta"), in his Consent and Stipulation attached hereto and incorporated herein, having acknowledged receipt of the Complaint and admitted the personal jurisdiction of this Court over him and over the subject matter hereof, and both the Commission and Maietta having waived the entry of Findings of Fact and Conclusions of Law, and Maietta, without admitting or denying the allegations of the Complaint except as noted above, and without trial, argument, or adjudication of any issue of fact or law herein, having consented to the entry of this Agreed Order, and it further appearing that the Court has jurisdiction over Maietta and the subject matter hereof, and the Court being fully advised in the premises:

FILED **MAY 14 1997**
FELICIS E. DOSAL, CLERK
JUDGMENT ENTERED
DEPUTY CLERK'S INITIALS

I.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that Maietta, his agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, 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:

- (1) employing any device, scheme, or artifice to defraud;
- (2) obtaining money or property by means of any untrue statement of 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 transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any purchaser,

in violation of Sections 17(a)(1), (2) and (3) of the Securities Act of 1933 [15 U.S.C. §§77q(a)(1), (2) and (3)].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Maietta, his agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of securities, by the use of any means or

instrumentality of interstate commerce or by the use of the mails, or of any facility of any national securities exchange:

- (1) employing any device, scheme, or artifice to defraud;
- (2) making any untrue statement of 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,

in violation of 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].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Maietta, his agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, obtaining, receiving or enjoying the beneficial use of any loans or other extensions of credit from lenders for the purpose of purchasing or carrying securities within the United States in violation of Section 7(f) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Section 3(b) of Regulation X promulgated by the Board of Governors of the Federal Reserve [12 C.F.R. §224.3(b)].

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, determining the appropriate amount, if any, of disgorgement, prejudgment interest thereon and civil penalties. In this respect, Maietta may not by way of defense to a Petition by Plaintiff for such relief, contest the allegations in the Complaint or assert that disgorgement or civil penalties are inappropriate for the violations alleged in the Complaint. However, Maietta is not precluded from advising the Court of mitigating circumstances.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Maietta shall remain subject to the jurisdiction of this Court for the purpose of discovery regarding any unresolved issues in the case with respect to himself or any other Defendant.

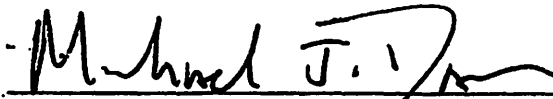
VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, without limitation, implementing and enforcing this Agreed Order and entertaining any applications for additional relief within the jurisdiction of this Court.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the attached Consent and Stipulation of Maietta be, and hereby is, incorporated herein with the same force and effect as if fully set out herein.

This Court makes an express determination that there is no just reason for delay and, therefore, the Clerk of the Court is hereby directed to enter this Agreed Order.


Michael J. Davis
United States District Judge

Dated: 5. 14, 1997