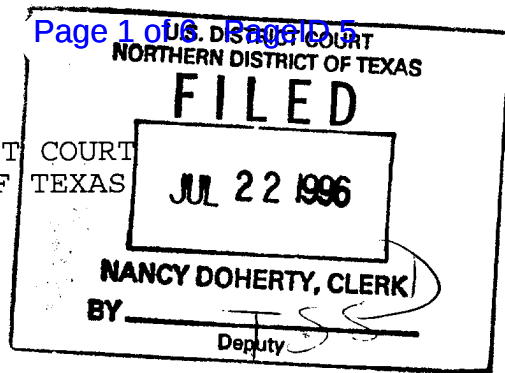


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

THE HALLWOOD GROUP INCORPORATED
AND ANTHONY JOSEPH GUMBINER,

Defendants.

ENTERED ON DOCKET
CIVIL ACTION NO. 96
PURSUANT
TO F. R. C. P. RULES
58 AND 79a

8-96 CV 2045-J

**FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION
AS TO DEFENDANT THE HALLWOOD GROUP INCORPORATED**

Plaintiff, SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"), having filed its Complaint for Permanent Injunction and Other Equitable Relief (hereinafter "the Complaint"), there having been no trial of this matter and no findings regarding the allegations contained in the Complaint; Defendant THE HALLWOOD GROUP INCORPORATED ("HALLWOOD"), having acknowledged in the Stipulation and Consent, filed herein, receipt of the Complaint filed in this matter, having waived service of the Summons and Complaint; having admitted the in personam jurisdiction of this Court, and the jurisdiction of this Court over the subject matter of this action; having waived the entry of Findings of Fact and Conclusions of Law under Rule 52 of the Federal Rules of Civil Procedure with respect to the entry of this Order of Permanent Injunction; having agreed, for purposes of this action only, without admitting or denying any of the allegations of the COMMISSION's Complaint, except as expressly set forth herein, to the entry of this Order enjoining HALLWOOD from engaging in

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transactions, acts, practices and courses of business which constitute and would constitute violations of Section 17(a) of the Securities Act of 1933, as amended ("Securities Act") [15 U.S.C. §§ 77q(a)], enjoining HALLWOOD from engaging in violations of Section 10(b) of the Securities Exchange Act of 1934, as amended ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], and further ordering HALLWOOD to disgorge \$953,125.00, representing losses avoided by HALLWOOD in its sale of ShowBiz Pizza Time, Inc. common stock from June 7 through June 10, 1993, plus \$240,665.60 in prejudgment interest thereon. It further appearing that this Court has jurisdiction over HALLWOOD and the subject matter of this action; it appearing that no further notice of hearing for the entry of this Order need be given; the Court being fully advised in the premises, and no just reason for delay appearing:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant HALLWOOD, its agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them in their respective capacities when acting for or with HALLWOOD, be and hereby are permanently restrained and enjoined from, directly or indirectly violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by using any means or instruments of transportation or communication in interstate commerce, or using the mails, in the offer or sale of

any securities, to:

- a. employ any device, scheme, or artifice to defraud;
- b. obtain 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
- c. engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any purchaser.

II.

IT IS ORDERED, ADJUDGED AND DECREED that Defendant HALLWOOD, its agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them in their respective capacities when acting for or with HALLWOOD, be and hereby are 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 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, to:

- 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 ORDERED, ADJUDGED AND DECREED that HALLWOOD shall pay to the registry of this Court by cashier's or certified checks payable to "Clerk, United States District Court" (1) the full amount of disgorgement totalling \$953,125.00, representing its losses avoided from certain transactions in ShowBiz Pizza Time, Inc., common stock from June 7 through June 10, 1993 as alleged in the Complaint, (2) prejudgment interest through March 31, 1996, in an amount equal to \$240,665.60, and (3) post-judgment interest thereon at the rate of nine (9) percent per annum as provided at 28 U.S.C. § 1961.

IV.

IT IS FURTHER ORDERED, ADJUDGED and DECREED that HALLWOOD (1) pay \$600,000.00 of the ordered disgorgement and prejudgment interest within thirty days of the entry of this judgment, (2) pay \$300,000.00 of the ordered disgorgement and prejudgment interest on or before September 30, 1996, and (3) pay \$297,790.60, representing the remainder of the disgorgement and prejudgment interest, plus all accumulated post-judgment interest

thereon, on or before December 31, 1996. The payments shall be made to the Registry of this Court by cashier's or certified checks payable to "Clerk, United States District Court" under cover of a letter that identifies HALLWOOD, the caption and case number of this action and the name of this Court. Copies of such check and accompanying cover letter shall be simultaneously transmitted to Katherine S. Addleman, Chief, Branch of Enforcement, Fort Worth District Office, 801 Cherry Street, 19th Floor, Fort Worth, Texas 76102. At such time as said monies are paid to the Court, HALLWOOD relinquishes all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to HALLWOOD or its affiliates, directors, officers, successors, or assigns.

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Clerk shall deposit all such funds received from HALLWOOD into the registry of the Court into an interest-bearing account. The COMMISSION will propose a plan of distribution of the monies, which plan will be subject to Court approval. Upon application of the COMMISSION and the entry by the Court of an Order appointing a claims administrator to conserve said monies and to oversee the approved plan of distribution, said monies shall be transferred by the Court to the Court-appointed claims administrator. The monies turned over to the claims administrator are to be made available as provided in the approved plan of distribution to persons having valid claims

under the federal securities laws arising out of the activities alleged in the Complaint. Should for any reason the monies and any interest thereon, or any portion thereof, remain undistributed after two years after the entry of the Final Judgment, all undistributed monies and interest shall be paid in cash or by certified check to the United States Treasury.

V.

IT IS ORDERED, ADJUDGED and DECREED that this Court shall retain jurisdiction of this action for all purposes.

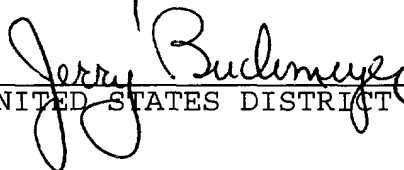
VII.

This Order shall be binding on Defendant HALLWOOD and upon those persons in active concert or participation with it who receive actual notice of the Order, a copy of which may be served in person, by mail, or by any officer of the COMMISSION.

VIII.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Order of Permanent Injunction pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 22 day of July, 1996.


UNITED STATES DISTRICT JUDGE