

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

STEPHEN R.B. BINGHAM,
SUSAN MCKENNA GRANT,
WILLIAM J. MCCLINTOCK,

Defendants. :

: Civil Action
: No. 96-10793 (EFH)

**FINAL JUDGMENT OF PERMANENT INJUNCTION,
DISGORGEMENT AND OTHER EQUITABLE RELIEF
AS TO DEFENDANT SUSAN MCKENNA GRANT**

Plaintiff SECURITIES AND EXCHANGE COMMISSION (“COMMISSION”), having duly commenced this action by filing its Complaint for Injunctive and Other Equitable Relief (“Complaint”), and Defendant SUSAN MCKENNA GRANT (“GRANT”), having entered a general appearance herein and having, in her annexed Consent of Defendant Susan McKenna Grant (“Consent”), admitted the jurisdiction of this Court over her and over the subject matter of this action, having withdrawn her Answer and waived the filing of an Answer to the Complaint and the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal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 jurisdiction, which she admits, having consented to the entry of this Final Judgment of Permanent Injunction, Disgorgement and Other Equitable Relief As To Defendant Susan McKenna Grant (“Final Judgment”) permanently enjoining and restraining Defendant GRANT

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from violating Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and Sections 10(b), 13(a), 13(b)(2)(A) and 13 (b)(2)(B) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b), 78m(a), 78m(b)(2)(A) and 78m(b)(2)(B)] and Exchange Act Rules 10b-5, 12b-20, 13a-13 and 13b2-2 thereunder [17 C.F.R. §§ 240.10b-5, 240.12b-20, 240.13a-13 and 240.13b2-2] and ordering Defendant GRANT to pay the sum of \$400,000 (four hundred thousand and no/100 dollars); and it further appearing that this Court has jurisdiction over Defendant GRANT and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant GRANT, her agents, servants, employees, attorneys-in-fact, assigns and all 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, be and hereby are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by, directly or indirectly, in the offer or sale of any security through the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- (a) employing any device, scheme or artifice to defraud;
- (b) 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 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 the purchaser.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant GRANT, her agents, servants, employees, attorneys-in-fact, assigns and all 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, be and hereby are permanently restrained and enjoined from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder by, directly or indirectly, using any means or instrumentality of interstate commerce, or the mails, or any facility of any national securities exchange:

- (a) to employ any device, scheme or artifice to defraud,
- (b) to 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 the light of the circumstances under which they were made, not misleading, or
- (c) 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.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant GRANT, her agents, servants, employees, attorneys-in-fact, assigns and all 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, be and hereby are permanently restrained and enjoined from, directly or indirectly, violating Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-13 and 12b-20 thereunder [17 C.F.R. §§ 240.13a-13 and 240.12b-20] by allowing any issuer of securities

registered under Section 12 of the Exchange Act [15 U.S.C. § 78j] to fail to file, in accordance with such rules and regulations as the COMMISSION may prescribe as necessary or appropriate, such information and documents as the COMMISSION shall require to keep reasonably current the information and documents required to be included in or filed with an application or registration statement filed pursuant to Section 12 of the Exchange Act, or such annual and quarterly reports as the COMMISSION may prescribe, including, but not limited to, quarterly reports on Form 10-Q as prescribed by Rule 13a-13 [17 C.F.R. § 240.13a-13] and by failing to include, in addition to the information expressly required to be included in any statement or report filed pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant GRANT, her agents, servants, employees, attorneys-in-fact, assigns and all 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, be and hereby are permanently restrained and enjoined from violating Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)] by allowing an issuer of securities registered under Section 12 of the Exchange Act, directly or indirectly, to fail to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the issuer or to fail to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that

the issuer's transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant GRANT, her agents, servants, employees, attorneys-in-fact, assigns and all 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, be and hereby are permanently restrained and enjoined from violating Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2] by, directly or indirectly, making or causing to be made materially false or misleading statements or omitting to state, or causing another person to omit to state any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with any audit or examination of the financial statements of an issuer or the preparation or filing of any document or report required to be filed with the COMMISSION.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant GRANT pay disgorgement in the amount of \$135,204.00, representing her losses avoided from the conduct alleged in the Complaint, plus prejudgment interest calculated at the rate established quarterly by the U.S. Internal Revenue Service for tax underpayment, compounded quarterly, which totals \$129,592.00 through December 21, 1999. To satisfy this disgorgement obligation, Defendant GRANT shall make payment into the Registry of this Court, by cashier's check, certified check, or postal money order, under cover of a letter that identifies the Defendant, the name and number of this action and the name of this Court, with a copy to counsel for the COMMISSION in its

Boston District Office, 73 Tremont Street, Boston, MA 02108. The disgorgement payment shall be made within ten days of entry of this Final Judgment. The disgorged funds and prejudgment interest shall be held by the Registry of this Court in an interest bearing account pending further order of the Court.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant GRANT pay a civil penalty in the amount of \$135,204.00 pursuant to the Insider Trading and Securities Fraud Enforcement Act of 1988, Section 21A of the Exchange Act [15 U.S.C. § 78u-1]. Payment shall be made within ten days of entry of this Final Judgment by cashier's check, certified check, or postal money order payable to the Securities and Exchange Commission, mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Alexandria, VA 22312, and submitted under cover of a letter that identifies the Defendant, the name and number of this action and name of this Court, with a copy to counsel for the COMMISSION in its Boston District Office, 73 Tremont Street, Boston, MA 02108.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed Consent of Defendant Susan McKenna Grant is incorporated by reference herein with the same force and effect as if fully set forth herein.

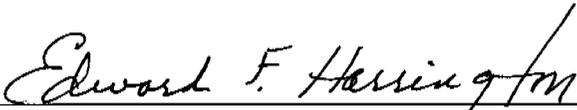
IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over Defendant GRANT as a party to this matter for the purpose of implementing and enforcing this Final Judgment.

X.

There being no just reason for delay, the Clerk of the Court is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

DONE AND ORDERED at Boston, Massachusetts, this 28 day of
March, 1999.


UNITED STATES DISTRICT COURT JUDGE

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