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DISTRICT OF UTAH
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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

SECURITIES AND EXCHANGE COMMISSION, :
 :
 :
 Plaintiff, :
 : **No. 2:97-CV-0963K**
 - against - :
 :
 GEORGE BADGER, et al., : **Judge Dale A. Kimball**
 :
 :
 Defendants. :

**FINAL JUDGMENT AGAINST
DEFENDANT HARMON S. HARDY BY CONSENT**

Plaintiff Securities and Exchange Commission ("Commission") having commenced this action by filing a complaint for injunctive and other relief on December 18, 1997 ("Complaint") against defendant Harmon S. Hardy ("Hardy") and others alleging that they violated Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R.

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§ 240.10b-5]; and defendant Hardy, having executed and annexed Consent of Defendant Harmon S. Hardy dated November 14, 2002 (“Consent”), having entered a general appearance, having admitted to the jurisdiction of this Court over him and over the subject matter of this action, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and having consented, without admitting or denying the allegations contained in the Complaint (except as to jurisdiction), to the entry without further notice of this Final Judgment Against Defendant Harmon S. Hardy By Consent (“Final Judgment”), it is now:

I.

ORDERED, ADJUDGED AND DECREED that Defendant Hardy, and Defendant Hardy’s agents, servants, employees, and attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this Final Judgment, are permanently enjoined and restrained from violating Section 17(a) of the Securities Act of 1933 [15 U.S.C. §77q(a)] , 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], directly or indirectly, in the offer or sale, or purchase or sale, of any security, by the use of any means or instrument of transportation or communication in interstate commerce, or of the mails, or of any facility of any national securities exchange, (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 statement made, in light of the circumstances under which it was made, not misleading; (3) making any untrue statement of a material fact or omitting 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 (4) engaging in any act, practice or course of business which would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Hardy pay a civil penalty to the United States Treasury pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], in the amount

of \$25,000. Payment shall be made by postal money order, certified check, bank cashier's check or bank money order, payable to the order of the United States Securities and Exchange Commission. Such payment shall be transmitted to the Comptroller, United States Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter identifying this Court, the title and civil action number of this litigation and defendant Hardy as payor and stating that the payment is a civil penalty. Defendant shall satisfy this obligation by making the following payments totally \$25,000: (a) within ten days of the entry of this judgment, Defendant shall pay \$5,000; (b) within 90 days of the entry of this judgment, Defendant shall pay \$5,000.00; (c) within 180 days of the entry of this judgment, Defendant shall pay \$5,000.00; (d) within 270 days of the entry of this judgment, Defendant shall pay \$5,000.00; and (e) within 360 days of the entry of this judgment, Defendant shall pay \$5,000.00. In addition, Defendant shall pay post-judgment interest on the outstanding balance of the \$25,000.00 from the date of entry of this judgment until paid in full. Defendant shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

SO ORDERED:


UNITED STATES DISTRICT JUDGE

Date: December 4, 2002
Salt Lake City, Utah

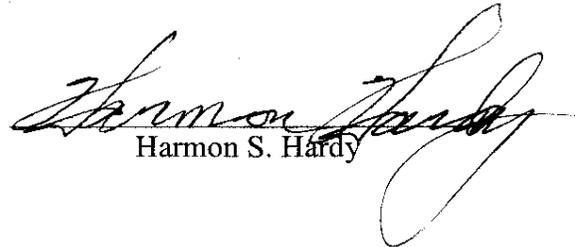
CONSENT OF DEFENDANT HARMON S. HARDY

1. Defendant Harmon S. Hardy (“Hardy”) (i) admits to the jurisdiction of this Court over him and over the subject matter of this action, (ii) waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, (iii) without admitting or denying the allegations of the Complaint filed by the United States Securities and Exchange Commission (“Commission”) in this action, except as to jurisdiction, consents to the entry of the foregoing Final Judgment Against Defendant Harmon S. Hardy By Consent (“Final Judgment”), (iv) agrees that the Final Judgment may be presented and entered without further notice, (v) waives any right to appeal from the Final Judgment, and (vi) waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996 or any other provision of law to pursue reimbursement of attorney’s fees or other fees, expenses or costs expended by Hardy to defend against this action and, for these purposes, Hardy agrees that Hardy is not the prevailing party in this action since the parties have reached a good faith settlement.

2. Hardy acknowledges and agrees that this proceeding and his Consent are for the purposes of resolving this proceeding only, in conformity with the provisions of 17 C.F.R. 202.5(f), and do not resolve, affect, or preclude any other proceeding which may be brought against him. Consistent with the provisions of 17 C.F.R. 202.5(f), Defendant waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Defendant acknowledges that the Court’s entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory

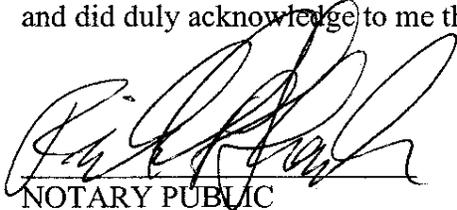
disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding.

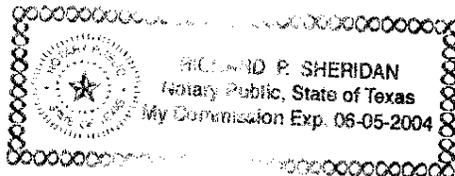
3. Defendant Hardy (i) understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" (17 C.F.R. § 202.5(e)); (ii) agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; and (iii) agrees that if he breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this case to its active docket. Nothing in this provision affects defendant Hardy's: (i) testimonial obligations; or (ii) right to take legal positions in litigation in which the Commission is not a party.


Harmon S. Hardy

STATE OF TEXAS)
)
COUNTY OF DALLAS) ss.:

On this 14 day of NOVEMBER, 2002, Harmon S. Hardy, being known to me and who executed the foregoing Consent Of Defendant Harmon S. Hardy personally appeared before me and did duly acknowledge to me that he executed the same.


NOTARY PUBLIC



alt

United States District Court
for the
District of Utah
December 5, 2002

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:97-cv-00963

True and correct copies of the attached were either mailed, faxed or e-mailed by the clerk to the following:

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