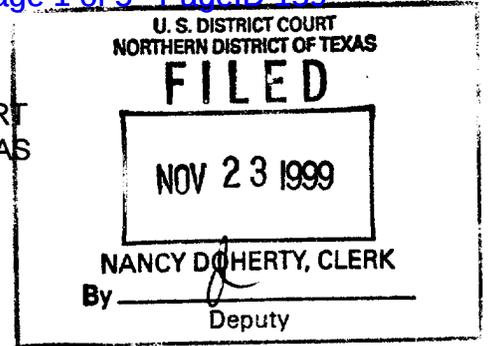


IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION



SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

TRINITY GAS CORPORATION, et. al.

Defendants,

CIVIL ACTION NO.
4:97-CV-1018-Y

**FINAL JUDGMENT OF PERMANENT INJUNCTION, DISGORGEMENT AND CIVIL
PENALTIES AGAINST SIDNEY W. SERS**

Based on the order granting Plaintiff, Securities and Exchange Commission's
Motion for Summary Judgment, entered on November 23, 1999,

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Sidney
W. Sers ("Sers"), and his respective officers, agents, servants, employees, attorneys, and
all 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, directly or indirectly, in connection with the purchase or sale of
securities, from making use of any means or instrumentalities of interstate commerce, or of
the mails or of any facility of a national securities exchange:

- (a) to employ any device, scheme or artifice to defraud;
- (b) to make any untrue statement of a material fact or 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;

(c) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Sers, and his respective officers, agents, servants, employees, attorneys, and all 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, in the offer or sale of securities, from making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, directly or indirectly:

(a) to employ any device, scheme or artifice to defraud; or

(b) to 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) to engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser.

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III.

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

(a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell any securities through the use or medium of any prospectus^{or} otherwise, unless a registration statement is in effect;

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(b) carrying or causing to be carried any security through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale, unless a registration statement is in effect as to such securities; or

(c) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy, through the use or medium of any security, unless a registration statement has been filed with the Commission as to such security, or while a registration statement filed with the Commission as to such security is the subject of a refusal order or stop order (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act [15 U.S.C. § 77h]; provided, however, that nothing in this Part III of this Order shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act [15 U.S.C. § 77e].

IV.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Sers shall pay disgorgement in the amount of \$11,607,442, representing the proceeds paid or attributable to him from the conduct and transactions described in the Commission's Complaint, plus prejudgment interest thereon in the amount of \$947,696. In partial

satisfaction of Sers' disgorgement obligation, the Clerk of this Court is hereby ordered to immediately transfer to Trinity Gas Corporation all funds currently held in the Court's Registry in this action, pursuant the Order Appointing Distribution Agent entered on January 29, 1999 ("Distribution Agent Order"). As of November 17, 1999, the amount on deposit in the Registry was \$4,011,358. Within 10 days from the entry of this Order, Sers shall pay to the Registry of this Court, by cashier's check or certified check payable to "Clerk, United States District Court," the amount of \$8,543,780, which represents the difference between the full amount of disgorgement and prejudgment interest specified above, and the amount on deposit in the Court's Registry as of November 17, 1999. Sers is also ordered to pay post-judgment interest calculated pursuant to 28 U.S.C. § 1961 on said amount. Upon such payment by Sers, the Court shall, by further order, direct payment of such funds to Trinity Gas Corporation, in accordance with the Distribution Agent Order.

V.

IT IS FURTHER ORDERED that in the event defendant Sers fails to comply with the provisions of Section IV. of this Order, Plaintiff Commission may submit a further application to the Court requesting that defendant Sers be held in civil contempt of this Court.

VI.

IT IS FURTHER ORDERED that defendant Sers shall pay a civil penalty of \$110,000, within 10 days of the entry of this Order, by (i) U.S. postal money order, certified check, bank cashier's check, or bank money order; (ii) made payable to the United States

Securities and Exchange Commission; (iii) mailed certified mail (return receipt requested) to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549; and (iv) submitted with a cover letter that identifies his name, the case name, the case number, and the name of the Court.

VII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this action for the purpose of implementing and carrying out the terms of all orders and decrees that may be entered herein.

VIII.

This Order shall be binding on defendant Sers and upon those persons in active concert or participation with him who receive notice of this Order, a copy of which may be served on Sers in person or by mail to Sers' residence address in Brownwood, Texas.

IX.

There being no just cause for delay, the Clerk of this Court is hereby directed, pursuant to Rules 58 and 79 of the Federal Rules of Civil Procedure, to enter this Final Judgment immediately and without further notice.

DATED: November 23, 1999.



TERRY R. MEANS
UNITED STATES DISTRICT JUDGE