

cc: TO JUDGE JK

ROTHSTEIN, J.

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AT SEATTLE
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WESTERN DISTRICT OF WASHINGTON
BY

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

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CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
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Chc, BJR, Janet PK

U.S. SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
)
v.)
)
UNITED FIRE TECHNOLOGY, INC., ET AL.,)
)
Defendants.)

Cause No. C97-1151R

FINAL JUDGMENT OF
PERMANENT INJUNCTIVE
AND OTHER RELIEF
AGAINST DEFENDANT
KENNETH STARNES

Plaintiff U.S. Securities and Exchange Commission ("Commission") having commenced this action by filing a complaint on July 15, 1997 against, inter alia, defendant Kenneth Starnes ("Starnes") for permanent injunctive and other relief ("Complaint"), charging Starnes with violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), 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. § 240.10b-5; and Starnes having appeared pro se in this action but not having filed an answer to the Complaint or a motion directed to the Complaint; and the Clerk having noted Starnes's default for failure to defend this action on February 1, 1999; and the Commission having moved to have judgment entered against Starnes pursuant to Fed. R. Civ. Proc. 55(b)(2); and there being no just reason for delaying the entry of this Final Judgment:

FINAL JUDGMENT OF PERMANENT
INJUNCTIVE AND OTHER RELIEF
AGAINST DEFENDANT
KENNETH STARNES - 1

U.S. Securities and Exchange Commission
7 World Trade Center, 13th Floor
New York, New York 10048
Tel.: 212-748-8375

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I.

1
2 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Starnes is
3 permanently restrained and enjoined, directly or indirectly, singly or in concert, in the offer or
4 sale of any securities, by the use of any means or instruments of transportation or communication
5 in interstate commerce or by the use of the mails, from:
6

- 7 (a) employing any device, scheme, or artifice to defraud;
8 (b) obtaining money or property my means of any untrue statement of a material fact
9 or any omission necessary to state a material fact necessary in order to make the
10 statements made, in light of the circumstances under which they were made, not
11 misleading; or
12 (c) engaging in any transaction, practice, or course of business which operates or
13 would operate as a fraud or deceit upon the purchaser,
14

15 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).
16

17 II.

18 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Starnes is
19 permanently restrained and enjoined, directly or indirectly, singly or in concert, in connection
20 with the purchase or sale of any security, by the use of any means or instrumentality or interstate
21 commerce or of the mails, or of any facility of any national securities exchange, from:
22

- 23 (a) employing any device, scheme, or artifice to defraud;
24

25 FINAL JUDGMENT OF PERMANENT
26 INJUNCTIVE AND OTHER RELIEF
27 AGAINST DEFENDANT
28 KENNETH STARNES - 2

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- 1 (b) making any untrue statement of a material fact or omitting to state a material fact
2 necessary in order to make the statements made, in light of the circumstances
3 under which they were made, not misleading; or
4
5 (c) engaging in any act, practice, or course of business which operates or would
6 operate as a fraud or deceit upon any person,

7 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R.
8 § 240.10b-5.

9
10 **III.**

11 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Final
12 Judgment is binding upon Starnes, his agents, servants, employees, and attorneys, and upon those
13 persons in active concert or participation with him who receive actual notice of this Final
14 Judgment by personal service or otherwise.

15
16 **IV.**

17 **IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that a disgorgement
18 judgment is hereby entered against Starnes of all ill-gotten gains obtained as a result of the acts
19 alleged in the Complaint in the amount of \$12,136.24 plus prejudgment interest of \$4,520.57, for
20 a total of \$16,656.81.

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25 FINAL JUDGMENT OF PERMANENT
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27 AGAINST DEFENDANT
KENNETH STARNES - 3

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V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED this Court shall retain jurisdiction of this matter for all purposes.

VI.

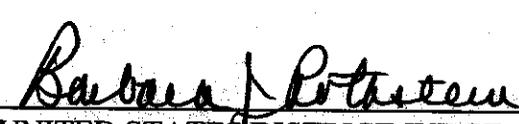
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Final Judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

PRESENTED BY:



JOHN I. GRAUBARD

Dated this 30th day of August, 1999.



UNITED STATES DISTRICT JUDGE

FINAL JUDGMENT OF PERMANENT
INJUNCTIVE AND OTHER RELIEF
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KENNETH STARNES - 4

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