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CLERK, U.S. DISTRICT COURT,
NORTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA
RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

97 2288

Civil No

FIVE

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

MICHAEL HUMPHRESS,

Defendant.

[PROPOSED]
FINAL JUDGMENT OF
PERMANENT INJUNCTION
AND OTHER LEGAL AND
EQUITABLE RELIEF

Plaintiff Securities and Exchange Commission (the "Commission"), having filed its Complaint for Permanent Injunction and Other Legal and Equitable Relief ("Complaint") in this action, and defendant Michael Humphress ("Humphress") in his Consent to the Entry of Permanent Injunction and Other Legal and Equitable Relief ("Consent") filed simultaneously with this Final Judgment of Permanent Injunction and Other Legal and Equitable Relief ("Final Judgment") and incorporated herein by reference, being represented by his counsel, having admitted service of the Summons and the Complaint, having admitted the jurisdiction of

FINAL JUDGMENT

1 this Court over him and over the subject matter of this action,
2 having been fully advised and informed of the right to a judicial
3 determination of this matter, having waived findings of fact and
4 conclusions of law as provided by Rule 52 of the Federal Rules of
5 Civil Procedure, having consented to the entry of this Final
6 Judgment, without admitting or denying any of the allegations in
7 the Complaint except as set forth in the Consent, having waived
8 notice of hearing upon the entry of this Final Judgment, and the
9 Court being fully advised in the premises:

10 I.

11 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Humphress,
12 his agents, servants, employees and attorneys, and all persons
13 acting in concert or participation with them, who receive actual
14 notice of this Final Judgment, by personal service or otherwise,
15 and each of them, are permanently enjoined and restrained from,
16 directly or indirectly, violating Section 10(b) of the Securities
17 Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5
18 thereunder [17 C.F.R. § 240.10b-5] by:

- 19 A. employing any device, scheme, or artifice to defraud;
20 B. making any untrue statement of a material fact or
21 omitting to state a material fact necessary in order to
22 make the statements made, in the light of the
23 circumstances under which they were made, not
24 misleading; or
25 C. engaging in any act, practice, or course of business
26 which operates or would operate as a fraud or deceit
27 upon any person,

28 in connection with the purchase or sale of the securities of any

1 issuer, by the use of any means or instrumentality of interstate
2 commerce, or of the mails, or of any facility of any national
3 securities exchange.

4 II.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Humphress
6 and his agents, servants, employees and attorneys, and all
7 persons acting in concert or participation with any of them, who
8 receive actual notice of this Final Judgment, by personal service
9 or otherwise, and each of them, are permanently enjoined from,
10 directly or indirectly, violating Section 13(b)(5) of the
11 Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing
12 or failing to implement a system of internal accounting controls
13 or knowingly falsifying any book, record, or account described in
14 Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

15 III.

16 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Humphress
17 and his agents, servants, employees and attorneys, and all
18 persons acting in concert or participation with any of them, who
19 receive actual notice of this Final Judgment, by personal service
20 or otherwise, and each of them, are permanently enjoined from,
21 directly or indirectly, violating Rule 13b2-2 under the Exchange
22 Act [17 C.F.R. § 240.13b2-2] by making or causing to be made a
23 materially false or misleading statement or omitting to state, or
24 causing another person to omit to state, any material fact
25 necessary in order to make statements made, in light of the
26 circumstances under which such statements were made, not
27 misleading to an accountant in connection with (A) any audit or
28 examination of the financial statements of an issuer required to

1 be made pursuant to the federal securities laws or (B) the
2 preparation or filing of any document or report required to be
3 filed with the Commission pursuant to the federal securities laws
4 or otherwise.

5 IV.

6 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Humphress
7 pay civil penalties pursuant to Section 21(d) of the Exchange Act
8 [15 U.S.C. § 78u(d)] in the amount of \$200,000 consisting of two
9 third tier penalties of \$100,000 each. Within 30 business days
10 of the Entry of Final Judgment, Humphress shall transmit by
11 certified check payable to "Securities and Exchange Commission"
12 the amount of \$200,000. The payment shall be sent to the
13 Comptroller of the Securities and Exchange Commission, 450 Fifth
14 Street, N.W., Stop 2-5, Washington, D.C. 20549, under cover of a
15 letter that identifies the defendant in this action, the civil
16 action number assigned to the Complaint, the District Court in
17 which the Complaint, Consent and Final Judgment were filed, and
18 the Commission's internal case number (LA-726). A copy of the
19 cover letter shall be simultaneously transmitted to counsel for
20 the Commission at its San Francisco District Office.

21 V.

22 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Humphress
23 is hereby prohibited from serving, at any time in the future, as
24 an officer or director of any issuer of a security registered
25 pursuant to Section 12 or Section 15(d) of the Exchange Act.

26 VI.

27 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Humphress
28 shall cooperate with investigations, administrative proceedings

1 and litigation conducted by the Commission and its staff with
2 respect to the facts and events relating to the ongoing
3 investigation by the Commission that has resulted, in part, in
4 the filing of the Complaint.

5 VII.

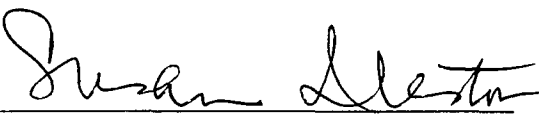
6 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the
7 Consent, filed concurrently with this Final Judgment, is
8 incorporated herein with the same force and effect as if fully
9 set forth herein and that Humphress shall fully comply with all
10 of the undertakings and agreements incorporated herein.

11 VIII.

12 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court
13 shall retain jurisdiction over this action for the purposes of
14 implementing and carrying out the terms of all orders and decrees
15 which may be entered herein and to entertain any suitable
16 application or motion for additional relief within the
17 jurisdiction of this Court.

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

21
22 Dated: 6/30/97


United States District Judge