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U.S. DISTRICT COURT
EASTERN DISTRICT OF LA
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LEBLANC, BINGHAM, HYTE

UNITED STATES DISTRICT COURT
For The
EASTERN DISTRICT OF LOUISIANA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ALPHA DIVERSIFIED INDUSTRIES, INC.,
RALPH W. LEBLANC, and
ROBERT M. BINGHAM,

Defendants.

CIVIL ACTION NO. 97-2814 "B"

JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST ALPHA
DIVERSIFIED INDUSTRIES,
INC. AND RALPH W. LEBLANC

Plaintiff Securities and Exchange Commission ("Commission"), having filed its complaint herein, and defendants Alpha Diversified Industries, Inc. ("Alpha") and Ralph W. LeBlanc ("LeBlanc"), having entered a general appearance, having admitted the in personam jurisdiction of this Court over them and the jurisdiction of this Court over the subject matter of the action, having waived entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, without admitting or denying any of the allegations of the Commission's complaint, except as to jurisdiction and venue, which they admit, and having consented to the entry of this Judgment of Permanent Injunction and Other Relief ("Judgment of Permanent Injunction"), and the Court being fully advised in the premises:

DATE OF ENTRY MAR 26 1999

~~FILED~~
~~U.S. DISTRICT COURT~~
~~EASTERN DISTRICT OF LOUISIANA~~
MAR 26 1999
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I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendants Alpha and LeBlanc, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment of Permanent Injunction, by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, by:

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 statements made, in the light of the circumstances under which they were made, not misleading; or
3. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser,

in the offer or sale of any security.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendants Alpha and LeBlanc, their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment of Permanent Injunction, by personal service or otherwise, and each of them, be and hereby are permanently

enjoined from violating, directly or indirectly, 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], thereunder, by the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange, by:

1. employing any device, scheme, or artifice to defraud;
2. making any untrue statement of a material fact or omitting 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
3. engaging 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 Alpha shall pay disgorgement in the amount of \$577,641.00, representing the monies raised from the conduct alleged in the Commission's complaint, plus prejudgment interest thereon. The calculation of such prejudgment interest is to be computed at the Internal Revenue Service rate for unpaid taxes. Based upon Alpha's sworn representations in its Statement of Financial Condition dated December 2, 1998, and submitted to the Commission, payment of disgorgement and prejudgment interest thereon is waived. This waiver is contingent upon the accuracy and completeness of its Statement of Financial Condition. If at any time following the entry of this Judgment of Permanent Injunction the Commission obtains information indicating that Alpha's representations to the Commission

concerning its assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Alpha, petition this Court for an order requiring Alpha to pay disgorgement and prejudgment and postjudgment interest thereon. In connection with any such petition, the only issue shall be whether the financial information provided by Alpha was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Alpha to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Judgment of Permanent Injunction, and the Commission may also request additional discovery. Alpha may not, by way of defense to such petition, challenge the validity of its Stipulation And Consent or the Judgment of Permanent Injunction, contest the allegations in the Commission's complaint, the amount of disgorgement and interest, or assert that disgorgement should not be ordered.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant LeBlanc shall pay disgorgement in the amount of \$161,403.00, representing the monies and benefits that he received from the conduct alleged in the Commission's complaint, plus prejudgment interest thereon. The calculation of such prejudgment interest is to be computed at the Internal Revenue Service rate for unpaid taxes. Based upon LeBlanc's sworn representations in his Statement of Financial Condition dated December 17, 1998 and additional supplementary material and submitted to the Commission, payment of disgorgement and prejudgment interest thereon is

waived, contingent upon the accuracy and completeness of his Statement of Financial Condition and additional supplementary material.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon LeBlanc's sworn representations in his Statement of Financial Condition dated December 17, 1998 and additional supplementary material, and submitted to the Commission, the Court is not ordering him to pay a civil penalty 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)]. The determination not to impose a civil penalty and to waive payment of disgorgement and prejudgment interest thereon is contingent upon the accuracy and completeness of LeBlanc's Statement of Financial Condition and additional supplementary material. If at any time following the entry of this Judgment of Permanent Injunction the Commission obtains information indicating that LeBlanc's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to LeBlanc, petition this Court for an order requiring LeBlanc to pay disgorgement, prejudgment and postjudgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by LeBlanc was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of the civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering LeBlanc to pay funds or assets, directing

the forfeiture of any assets, or sanctions for contempt of this Judgment of Permanent Injunction, and the Commission may also request additional discovery. LeBlanc may not, by way of defense to such petition, challenge the validity of his Stipulation And Consent or the Judgment of Permanent Injunction, contest the allegations in the Commission's complaint, the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

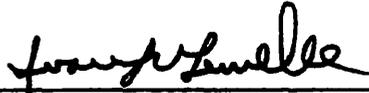
VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter for all purposes, including implementing and enforcing the terms of this Judgment of Permanent Injunction, and may order other and further relief that this Court deems appropriate under the circumstances.

VII.

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

SO ORDERED, this 26~~th~~ day of March, 1999.



HON. IVAN L.R. LEMELLE
UNITED STATES DISTRICT JUDGE