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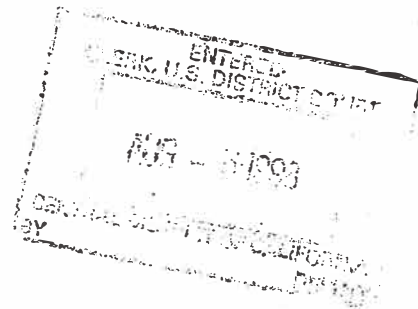
CLEARING HOUSE  
CENTRAL DISTRICT  
LOS ANGELES

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8 UNITED STATES DISTRICT COURT  
9 CENTRAL DISTRICT OF CALIFORNIA  
10 WESTERN DIVISION

12 SECURITIES AND EXCHANGE COMMISSION,  
13 Plaintiff,  
14 v.  
15 AMERICAN GROWTH CAPITAL CORP.,  
16 AMERICAN GROWTH FUND I, LP,  
17 GROWTH CAPITAL RESOURCES CORP.,  
18 CAPITAL GROWTH FUND I, LP,  
DONNA L. SNYDER, CHARLES E.  
19 DUQUETTE, ROBERT K. KELLY, HUGO V.  
CIANCIULLI, WILLIAM M. MCNARY,  
EMANUEL B. NEDWICK, JEROME L.  
20 GLAZOV, AND CHRISTOPHER A. PAULICK,  
21 Defendants.

Civil Action No.  
CV 97-5993 RAP (JGx)  
FINAL JUDGMENT OF  
PERMANENT INJUNCTION AND  
OTHER RELIEF AGAINST  
DEFENDANT DONNA L. SNYDER



22 Plaintiff Securities and Exchange Commission ("Commission"),  
23 having filed and served upon Defendant Donna L. Snyder ("Snyder")  
24 a Summons and Complaint in this matter and Defendant Snyder  
25 having admitted service upon her of the Summons and Complaint in  
26 this action and the jurisdiction of this Court over her and over  
27 the subject matter of this action; having been fully advised and  
28 informed of her rights to a judicial determination of this

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1 matter; having waived the entry of findings of fact and  
2 conclusions of law as provided by Rule 52 of the Federal Rules of  
3 Civil Procedure; having consented to the entry of this Final  
4 Judgment of Permanent Injunction and Other Relief Against  
5 Defendant Donna L. Snyder ("Final Judgment") without admitting or  
6 denying the allegations in the Complaint, except as specifically  
7 set forth in the Consent of Defendant Donna L. Snyder to Entry of  
8 Final Judgment of Permanent Injunction and Other Relief  
9 ("Consent"); and it appearing that no notice of hearing upon the  
10 entry of this Final Judgment being necessary; and the Court being  
11 fully advised in the premises, and there being no just reason for  
12 delay:

13 I.

14 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant  
15 Snyder and her agents, servants, employees and attorneys, and all  
16 persons in active concert or participation with any of them, who  
17 receive actual notice of this Final Judgment, by personal service  
18 or otherwise, and each of them, are permanently restrained and  
19 enjoined from, directly or indirectly, in the offer or sale of  
20 the securities of any issuer, by the use of any means or  
21 instruments of transportation or communication in interstate  
22 commerce or by the use of the mails:

- 23 A. employing any device, scheme or artifice to defraud;  
24 B. obtaining money or property by means of any untrue  
25 statement of a material fact or any omission to state a  
26 material fact necessary in order to make the statements  
27 made, in the light of the circumstances under which  
28 they were made, not misleading; or

1 C. engaging in any transaction, practice, or course of  
2 business which operates or would operate as a fraud  
3 or deceit upon the purchaser;  
4 in violation of Section 17(a) of the Securities Act of 1933, as  
5 amended, ("Securities Act") [15 U.S.C. § 77q(a)].

6 II.

7 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
8 Snyder and her agents, servants, employees and attorneys, and all  
9 persons in active concert or participation with any of them, who  
10 receive actual notice of this Final Judgment, by personal service  
11 or otherwise, and each of them, are permanently restrained and  
12 enjoined from, directly or indirectly, by the use of any means or  
13 instrumentality of interstate commerce, or of the mails, or of  
14 any facility of any national securities exchange:

15 A. employing any device, scheme, or artifice to defraud;

16 B. making any untrue statement of a material fact or  
17 omitting to state a material fact necessary in order  
18 to make the statements made, in the light of the  
19 circumstances under which they were made, not  
20 misleading; or

21 C. engaging in any act, practice, or course of business  
22 which operates or would operate as a fraud or deceit  
23 upon any person, in connection with the purchase or  
24 sale of any security;

25 in violation of Section 10(b) of the Securities Exchange Act of  
26 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5  
27 thereunder [17 C.F.R. § 240.10b-5]!

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1 III.

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
3 Snyder, and her agents, servants, employees and attorneys, and  
4 all persons in active concert or participation with any of them,  
5 who receive actual notice of this Final Judgment by personal  
6 service or otherwise, and each of them, are permanently  
7 restrained and enjoined from, directly or indirectly, by use of  
8 the mails or any means or instrumentality of interstate commerce,  
9 while acting as an investment adviser:

10 A. employing any devices, schemes or artifices to defraud  
11 advisory clients or prospective advisory clients, in  
12 violation of Section 206(1) of the Investment Advisers  
13 Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(1)];  
14 and

15 B. engaging in transactions, practices or courses of  
16 business which operate as a fraud or deceit upon  
17 advisory clients or prospective advisory clients, in  
18 violation of Section 206(2) of the Advisers Act [15  
19 U.S.C. § 80b-6(2)].

20 IV.

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
22 Snyder, and her agents, servants, employees and attorneys, and  
23 all persons in active concert or participation with any of them,  
24 who receive actual notice of this Final Judgment by personal  
25 service or otherwise, and each of them, are permanently  
26 restrained and enjoined from, directly or indirectly:

27 A. making use of any means or instruments of  
28 transportation or communication in interstate commerce

1 or of the mails to sell the securities of any issuer,  
2 through the use or medium of any prospectus or  
3 otherwise, unless and until a registration is in effect  
4 as to such securities;

5 B. carrying or causing to be carried through the mails or  
6 in interstate commerce, by any means or instruments of  
7 transportation, for the purpose of sale or for delivery  
8 after sale, the securities of any issuer, unless and  
9 until a registration statement is in effect as to such  
10 securities; and

11 C. making use of any means or instruments of  
12 transportation or communication in interstate commerce  
13 or of the mails to offer to sell or offer to buy,  
14 through the use or medium of any prospectus or  
15 otherwise, the securities of any issuer, unless and  
16 until a registration statement has been filed with the  
17 Commission as to such securities, or while a  
18 registration statement as to such securities is the  
19 subject of a refusal order or stop order or (prior to  
20 the effective date of the registration statement) any  
21 public proceeding of examination under Section 8 of the  
22 Securities Act [15 U.S.C. § 77h];

23 in violation of Sections 5(a) and 5(c) of the Securities Act  
24 [15 U.S.C. §§ 77e(a) & 77e(c)]; provided, however, that nothing  
25 in the foregoing portion of this paragraph shall apply to any  
26 security or transaction that is exempt from the provisions of  
27 Section 5 of the Securities Act [15 U.S.C. § 77e].

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1 V.

2 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant  
3 Snyder, and her agents, servants, employees and attorneys, and  
4 all persons in active concert or participation with any of them,  
5 who receive actual notice of this Final Judgment by personal  
6 service or otherwise, and each of them, are permanently  
7 restrained and enjoined from, directly or indirectly:  
8 making use of the mails or means or instrumentalities of  
9 interstate commerce to effect transactions in securities, without  
10 being registered as brokers or dealers in accordance with Section  
11 15(b) of the Exchange Act [15 U.S.C. § 78o(b)], in violation of  
12 Section 15(a) (1) of the Exchange Act [15 U.S.C. § 78o(a) (1)].

13 VI.

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Snyder  
15 shall provide all documents in her possession, custody or control  
16 to the Commission and disclose under oath all information with  
17 respect to her activities and the activities of others about  
18 which the Commission or its staff may inquire or request. Such  
19 production of documents and disclosure of information by Snyder  
20 shall be made upon reasonable notice in writing and without the  
21 service of a subpoena and subject only to the good faith  
22 assertion of any privileges recognizable pursuant to  
23 the provisions of Rule 501 of the Federal Rules of Evidence or  
24 the United States Constitution and amendments thereto.

25 VII.

26 IT IS ORDERED, ADJUDGED, AND DECREED that Defendant Snyder  
27 pay disgorgement in the amount of \$331,750, plus prejudgment  
28 interest thereon, as per 28 U.S.C. § 1961.

VIII.

1  
2 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, based  
3 upon Defendant Snyder's sworn representations in her Statement of  
4 Financial Condition submitted to the Commission, cash payment of  
5 all but \$1,250 of the disgorgement and prejudgment interest  
6 thereon is waived; the remainder of the disgorgement and  
7 prejudgment interest Snyder will pay by transferring all her  
8 beneficial interest and/or beneficial interest of the Sowter  
9 Family Trust in any and all stock, warrants, options, or other  
10 securities issued by Virtual Mortgage Network, Inc., formerly  
11 known as Virtual Realty Network, Inc., to the Receiver over  
12 American Growth Fund I, LP, within thirty (30) days after the  
13 entry of the Final Judgment. This waiver is contingent upon the  
14 accuracy and completeness of Defendant Snyder's Statement of  
15 Financial Condition.

16 IX.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that if, at any  
18 time following the entry of this Final Judgment, the Commission  
19 obtains information indicating that Defendant Snyder's  
20 representations to the Commission concerning her assets, income,  
21 liabilities, or net worth were fraudulent, misleading,  
22 inaccurate, or incomplete in any material respect as of the time  
23 such representations were made, the Commission may, at its sole  
24 discretion and without prior notice to Defendant, petition this  
25 Court for an order requiring Snyder to pay full disgorgement and  
26 prejudgment and postjudgment interest thereon, less any amounts  
27 paid by Snyder as per her agreement described in ¶13 of her  
28 Consent. In connection with any such petition, the only issue

1 shall be whether the financial information provided by Defendant  
2 Snyder was fraudulent, misleading, inaccurate, or incomplete in  
3 any material respect as of the time such representations were  
4 made. In its petition, the Commission may move this Court to  
5 consider all available remedies, including, but not limited to,  
6 ordering Defendant to pay funds or assets, directing the  
7 forfeiture of any assets, or sanctions for contempt of this Final  
8 Judgment, and the Commission may also request additional  
9 discovery. Defendant Snyder may not, by way of defense to such  
10 petition, challenge the validity of her Consent or the Final  
11 Judgment, contest the allegations in the Complaint filed by the  
12 Commission, contest the amount of disgorgement and interest, or  
13 assert that disgorgement should not be ordered.

14 X.

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based upon  
16 Defendant Snyder's sworn representations to the Commission that  
17 she is financially unable to pay a penalty, the Court is not  
18 ordering Snyder to pay a penalty. The Court does, however, note  
19 the appropriateness of a civil penalty in this instance, as  
20 authorized under the Securities Enforcement Remedies and Penny  
21 Stock Reform Act of 1990, pursuant to Section 20(d) of the  
22 Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the  
23 Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the  
24 Advisers Act [15 U.S.C. § 80b-9(e)]. The determination that  
25 Defendant Snyder is unable to pay a civil penalty is conditioned  
26 on the accuracy and completeness of Snyder's sworn  
27 representations in her Statement of Financial Condition submitted  
28 to the Commission. If, at any time following the entry of this



1 Final Judgment, the Commission obtains information indicating  
2 that Defendant Snyder's representations to the Commission  
3 concerning her assets, income, liabilities, or net worth were  
4 fraudulent, misleading, inaccurate, or incomplete in any material  
5 respect as of the time such representations were made, the  
6 Commission may, at its sole discretion and without prior notice  
7 to Defendant, petition this Court for a hearing to determine  
8 whether Snyder should be ordered to pay a civil penalty. In  
9 connection with any such petition, the only issue shall be  
10 whether the financial information provided by Defendant Snyder  
11 was fraudulent, misleading, inaccurate, or incomplete in any  
12 material respect as of the time such representations were made.  
13 In its petition, the Commission also may seek any additional  
14 remedies, or request further discovery. Snyder may not by way of  
15 defense to that petition, contest the allegations in the  
16 Complaint, or assert that no penalty is appropriate for the  
17 violations alleged in the Complaint.

18 XI.

19 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the  
20 provisions of the Consent filed concurrently with this Final  
21 Judgment are incorporated herein with the same force and effect  
22 as if fully set forth herein and that Snyder shall comply with  
23 her Consent.

24 XII.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court  
26 shall retain jurisdiction over this action to implement and  
27 enforce the terms of the Final Judgment and other decrees that  
28 may be entered herein and to grant such other relief as the Court

1 may deem necessary and just.

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

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8 DATED: AUG 6 1998

**RICHARD A. PAEZ**  
UNITED STATES DISTRICT JUDGE

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