

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF OKLAHOMA

FILED

DEC 7 2000

ROBERT D. DENNIS, CLERK
U.S. DIST. COURT, WESTERN DIST. OF OKLA.
BY BM DEPUTY

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

FIRST AMERICANS BANK LTD.,
NATIVE AMERICAN FREE TRADE
ASSOCIATION, ANB TRUST,
ANB LIMITED, OWEN K.
STEPHENSON, AND RON SPARKS,

Defendants,

FIRST AMERICANS TRUST AND
FIRST AMERICANS MANAGEMENT,

Defendants For Purposes of Relief.

Civ. 98-0645 R

DOCKETED

FINAL JUDGMENT AGAINST DEFENDANTS AND RELIEF DEFENDANTS

On November 29, 2000, this Court granted the motion of Plaintiff Securities and Exchange Commission ("Commission") for an order granting summary judgment against Defendants Ron Sparks ("Sparks") and Owen K. Stephenson ("Stephenson") and, on March 30, 2000, the Court issued default judgments against three entities named as Defendants in this matter, Native American Free Trade Association ("NAFTA"), ANB Trust, and ANB Limited and entered permanent injunctions against them.

Two motions filed by the Commission are currently outstanding. On April 4, 2000, the Commission filed a motion for default judgment against Defendants First Americans Bank Ltd., and against Relief Defendants First Americans Trust and First Americans Management based upon the entry of default lodged by the clerk on February

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1, 2000. Upon review of the Commission's motion and the default noticed by the clerk, the Court finds that such motion should be and hereby is GRANTED.

On February 23, 2000, the Commission filed a motion to show cause why Defendant Sparks should not be held in civil contempt. Sparks has failed to respond to the motion. However, in the parallel criminal action, U.S. v. Ronald G. Sparks and Owen K. Stephenson, CR 98-199 M, Sparks has been sentenced, is currently incarcerated, and has been ordered by this Court to pay restitution. It is unlikely that further sanctions would be effective in compelling Sparks' compliance with prior orders by this Court. Therefore, the Commission's motion for civil contempt is DISMISSED.

Based upon these and prior rulings, this Court now grants the relief sought by the Commission in its Complaint and Orders as follows:

I.

IT IS ORDERED, ADJUDGED AND DECREED that Defendants Sparks, Stephenson, and First Americans Bank, their agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently enjoined and restrained from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. §78j(b)] and Rule 10b-5 [17 C.F.R. §240.10b-5] promulgated thereunder by, directly or indirectly, in connection with the purchase or sale of the securities of any issuer, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (a) employing any device, scheme or artifice to defraud;
- (b) making any untrue statement of any 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

- (c) engaging in acts, practices, or courses of business which operate or would operate as a fraud or a deceit upon any person.

II.

IT IS ORDERED, ADJUDGED AND DECREED that Defendants Sparks, Stephenson, and First Americans Bank, their agents, servants, attorneys and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently enjoined and restrained from violating Section 17(a) of the Securities Act of 1933 [15 U.S.C. §77q(a)] by, directly or indirectly, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- (a) employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of any 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
- (c) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

This Court previously found that disgorgement of ill-gotten gains was appropriate equitable relief to be ordered against Defendant First Americans Bank and against Relief

Defendants First Americans Trust and First Americans Management. The Court now finds that disgorgement is similarly appropriate against Defendants Sparks, Stephenson, First Americans Bank, NAFTA, ANB Trust and ANB Limited. This Court also held that civil money penalties were appropriate against Defendant First Americans Bank and now holds that penalties are appropriate against Defendants Sparks, Stephenson, First Americans Bank, NAFTA, ANB Trust and ANB Limited pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d)(3)(A) of the Exchange Act [15 U.S.C. §78u(d)(3)(A)].

In the criminal case, U.S. v. Ronald G. Sparks and Owen K. Stephenson, Defendants Sparks and Stephenson have been ordered to pay restitution of \$6,867,494.10, an amount which exceeds the disgorgement sought by the Commission. Sparks and Stephenson have been sentenced to serve, respectively, prison terms of 11 years and 3 months and 12 years and 7 months. Moreover, funds frozen by this Court upon motion of the Commission in May 1998 in the accounts of the Defendant and Relief Defendant entities, First Americans Bank, NAFTA, First Americans Trust and First Americans Management, have been transferred by Order of this Court dated March 30, 2000. Such funds have been paid into an account established by the Court and the Office of Probation for the payment of restitution to victims of the fraud.

IT IS HEREBY ORDERED, in light of the criminal sanctions noted above, that no further financial sanctions shall be imposed in this civil action, and that the Defendants and Relief Defendants not be ordered to pay disgorgement or civil penalties.

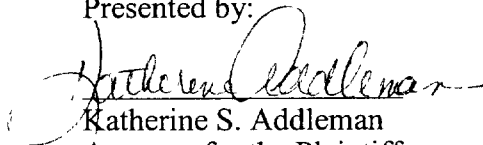
IV.

The Court determines that there is no just reason for delay in the entry of this Final Judgment and the Court expressly directs that this Final Judgment shall be entered herein as a final judgment pursuant to Rule 54(b) of the Federal Rules of Civil Procedure in favor of the plaintiff, Securities and Exchange Commission, and against all Defendants, Sparks, Stephenson, First Americans Bank, NAFTA, ANB Trust, and ANB Limited and Relief Defendants First Americans Trust and First Americans Management.

Dated: December 7, 2000


HONORABLE DAVID L. RUSSELL

Presented by:


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ENTERED ON JUDGMENT DOCKET ON 12-7-00