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U.S. DISTRICT COURT
EASTERN DISTRICT OF LA

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**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**



SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

DAVID R. PFISTER, et al.,

Defendants.

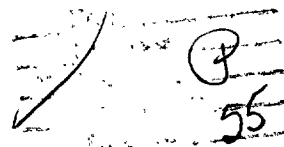
Hon. Ivan L. R. Lemelle

Civil No. 98-1001 "B" (5)

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
RELIEF AS TO DEFENDANT NICK A. SKANSI BY CONSENT**

Plaintiff Securities and Exchange Commission (the "Commission"), having commenced this action by filing its Complaint For Injunctive And Other Relief ("Complaint") on September 30, 1997, charging, *inter alia*, Defendant Nick A. Skansi ("Skansi") with violations of 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] promulgated thereunder, and the Commission and Defendant Skansi desiring to resolve and settle all issues of permanent injunctive and equitable relief concerning Defendant Skansi arising from or relating to the facts alleged in the Complaint, and Defendant Skansi, in the attached Consent Of Defendant Nick A. Skansi (the "Consent") incorporated herein, having acknowledged receipt of the Summons and Complaint, having withdrawn his answer to the complaint, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having admitted

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the *in personam* jurisdiction of this Court over him and the jurisdiction of this Court over the subject matter of this action, having consented, solely for the purposes of this action and without trial, argument or adjudication of any issue of fact or law, to the entry of this Final Judgment Of Permanent Injunction And Other Relief As To Defendant Nick A. Skansi By Consent (the "Final Judgment") without further notice, and without admitting or denying the allegations contained in the Complaint of Plaintiff Commission except as to jurisdiction, and it further appearing that the Court has jurisdiction over the parties and subject matter hereof, the Court being fully advised in the premises, and there being no just reason for delay:

I.

IT IS ORDERED, ADJUDGED, AND DECREED that Defendant Skansi be and hereby is permanently enjoined from, in connection with the purchase or sale of any securities, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails or of any facility of any national securities exchange:

- (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 violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Skansi shall disgorge \$23,053.51, representing illicit trading profits that he received in connection with the purchase and sale of securities issued by the Freeport-McMoRan Oil and Gas Royalty Trust and prejudgment interest thereon.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Skansi shall pay \$14,445.00 to the United States Treasury ("Treasury") as a civil penalty under Section 21A of the Exchange Act [15 U.S.C. § 78u-1].

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that one-half of the monies to be paid pursuant to Paragraph II. of this Final Judgment shall be paid within ten (10) business days following entry of this Final Judgment and the remaining one-half of the monies to be paid pursuant to Paragraph II. of this Final Judgment shall be paid within forty-five (45) days following entry of this Final Judgment. Such monies shall be paid into the registry of this Court by certified check or money order drawn to the order of "Clerk, United States District Court, E.D.La.", whereupon the Clerk of this Court, or the financial Deputy Clerk, is hereby directed to deposit said check or money order into an account for this case with the Court Registry Investment System (the "C.R.I.S. Account"), administered through the United States District Court for the Southern District of Texas. Copies of the certified checks or money orders delivered to the Clerk of the Court shall be simultaneously transmitted to: Carmen J. Lawrence, Esq., United States Securities and Exchange Commission, Northeast Regional Office, 7 World

Trade Center, New York, New York 10048, Attn.: Robert Knuts. Funds in the C.R.I.S. Account shall be held until further order of the Court, and shall be disbursed in accordance with a plan of distribution to be submitted by Plaintiff Commission with notice to Defendant Skansi and approved by the Court. In no event shall any portion of the account be returned to Defendant Skansi, his successors or assigns. Interest earned on the funds in the C.R.I.S. Account shall be credited to the C.R.I.S. Account and shall thereafter be treated in the same manner as principal. Prior to making any disbursements from the C.R.I.S. Account, the custodian of the C.R.I.S. Account is directed to deduct from the income earned on the investment a fee, not exceeding that authorized by the Judicial Conference of the United States and set by the Director of the Administrative Office at equal to ten percent (10%) of the income earned for deduction in the investment so held and without further order of the Court.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the monies to be paid pursuant to Paragraph IV. of this Final Judgment shall be paid to the Treasury by postal money order, certified check, bank cashier's check or bank money order made payable to the order of the United States Securities and Exchange Commission, and shall be transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington D.C. 20549, under cover of letter that identifies the defendant, the name and civil action number of this litigation, and the court in which it was brought within ninety (90) days from entry of this Final Judgment. Copies of the cover letter and payment shall be simultaneously transmitted to: Carmen J. Lawrence, Esq., United States Securities and Exchange Commission, Northeast Regional Office, 7 World Trade Center, New York, New York 10048, Attn.: Robert Knuts.

VI.

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

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Commission may effect service of this Final Judgment upon Defendant Skansi by delivering a copy to Joseph Bartels, Esq., Defendant Skansi's attorney, at 3900 Canal Street, New Orleans, Louisiana 70119.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the annexed Consent be and the same hereby is incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Final Judgment is binding on Defendant Skansi, his agents, servants, employees, and attorneys-in-fact, and upon those persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise pursuant to Federal Rule of Civil Procedure 65(d).

X.

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

CONSENT OF DEFENDANT NICK A. SKANSI

1. Defendant Nick A. Skansi, ("Skansi"), upon the advice of counsel, having read and understood the terms of the annexed Final Judgment Of Permanent Injunction And Other Relief As To Defendant Nick A. Skansi By Consent (the "Final Judgment"), appears and admits the *in personam* jurisdiction of this Court over him, and the jurisdiction of this Court over the subject matter of this action, withdraws his answer to the complaint in this action, waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and hereby consents, without further notice, trial, argument, or adjudication of any issue of fact or law, to the entry of the annexed Final Judgment, and without admitting or denying the allegations contained in the Complaint of Plaintiff Securities and Exchange Commission ("Commission"), except as to jurisdiction.

2. Defendant Skansi agrees that this Consent Of Defendant Nick A. Skansi (the "Consent") shall be incorporated by reference in and made part of the annexed Final Judgment to be presented to the Court for signature, filing, and entry contemporaneously herewith.

3. Defendant Skansi waives any right he may have to appeal from the annexed Final Judgment.

4. Defendant Skansi further acknowledges that this Consent embodies the entire understanding of the parties, except as reflected in the Final Judgment.

5. Defendant Skansi enters into this Consent voluntarily and acknowledges that no tender, offer, promise or threat of any kind has been made by the Commission or any of its members, officers, agents or representatives in consideration of this Consent.

6. Defendant Skansi further acknowledges that a willful violation of any of the terms or provisions of the Final Judgment may place him in contempt of this Court and subject him to civil and criminal sanctions.

7. Defendant Skansi further acknowledges that he has been informed and understands that Plaintiff Commission, at its sole and exclusive discretion, may have referred or granted or may in the future refer or grant access to this matter, or any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate civil, administrative or criminal jurisdiction, if it has not already done so.

8. Defendant Skansi acknowledges and agrees that this proceeding, the payment of a penalty contemplated as part of the resolution thereof, and consent to the entry of the Final Judgment are for the purposes of resolving this civil proceeding only, in conformity with the provisions of 17 C.F.R. § 202.5(f), and do not resolve, affect or preclude any other proceeding which may be brought against Defendant Skansi. Among other things, Defendant Skansi waives any right he may have to assert that under the Double Jeopardy Clause of the United States Constitution, the relief consented to in this civil action bars any criminal action, or that any criminal action bars the relief consented to in this civil action.

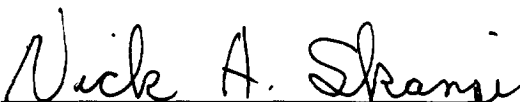
9. Defendant Skansi understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings." 17 C.F.R. § 202.5(e). In compliance with this policy, Skansi agrees not to take any action or to permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis. If Skansi breaches this

agreement, the Commission may petition the Court to vacate the Final Judgment and restore this case to its active docket. Nothing in this provision affects Skansi's: (a) testimonial obligations; or (b) right to take legal positions in litigation in which the Commission is not a party.

10 Defendant Skansi agrees to accept service through his attorney, Joseph Bartels, Esq., 3900 Canal Street, New Orleans, Louisiana 70119, or any other attorney entering an appearance for Defendant Skansi in this action, of all process with respect to this matter, and any proceeding or actions in connection therewith or deriving therefrom, including process relating to any depositions, hearings, trials or other court or administrative proceedings or investigations.

11 Defendant Skansi consents that this Court shall retain jurisdiction of this action for the purpose of implementing and enforcing the terms and conditions of the annexed Final Judgment and for all other purposes.

12 Defendant Skansi agrees that the annexed Final Judgment may be presented by the Commission to the Court for signature and entry without further notice.


NICK A. SKANSI

STATE OF LOUISIANA)
) ss.:
LOUISIANA)

On this 24th day of JANUARY 2000, before me personally appeared Nick A. Skansi, to me known and known to me to be the person who executed the foregoing Consent.



NOTARY PUBLIC

IT IS SO ORDERED:



UNITED STATES DISTRICT JUDGE

Dated: January 24, 2000
New Orleans, Louisiana