

REC'D JUL 07 1999

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

FILED
UNITED STATES DISTRICT COURT
DENVER, COLORADO

JUL 16 1999

JAMES R. MANSPEAKER
CLERK

BY _____

UNITED STATES SECURITIES AND)
 EXCHANGE COMMISSION,)
)
 PLAINTIFF,)
)
 V.)
)
 GOLDEN EAGLE INTERNATIONAL, INC.,)
)
 RONALD A. KNITTLE, MARY A.)
)
 ERICKSON, GREGORY G. VERNON,)
)
 TIMBERLINE CONSULTANTS, INC.,)
)
 AND TERRY TURNER,)
)
 DEFENDANTS.)

CIVIL ACTION NO:
98-Z-1020

FINAL JUDGMENT OF PERMANENT INJUNCTION AS TO DEFENDANT GREGORY
G. VERNON

Plaintiff Securities and Exchange Commission
 ("Commission"), having commenced this action on May 7, 1998, by
 filing a Complaint alleging that defendant Gregory G. Vernon
 ("Vernon") violated various provisions of the securities laws;
 the Complaint and summons having been duly served upon Vernon; a
 Consent and Undertaking subsequently having been filed in which
 Vernon, having waived his right to the entry of findings of fact
 and conclusions of law under Rule 52 of the Federal Rules of

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Civil Procedure, and, without admitting or denying the allegations made in the Complaint, except as to jurisdiction which is admitted, consented to entry without further notice of this Final Judgment of Permanent Injunction ("Final Judgment") enjoining him from engaging in transactions, acts, practices and courses of business which constitute or would constitute violations of: Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder [15 U.S.C. § 78j(b) and 17 C.F.R. 240.10b-5]; Section 17(b) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(b)]; and Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)]; and it appearing that this Court has jurisdiction over the parties and over the subject matter of this action, and the Court being fully advised in the premises and there being no just cause for delay:

I.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Gregory G. Vernon, his agents, servants, employees, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from violating Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, [15 U.S.C. 78j(b) and Rule 17 C.F.R. 240.10b-5], in connection with the

purchase or sale of any security, directly or indirectly, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of a national securities exchange, to: (1) employ any device, scheme or artifice to defraud; (2) make any untrue statement of a material fact or omit 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) engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

FURTHER ORDERED that Gregory G. Vernon and his agents, servants, employees, and all persons acting in concert with him are enjoined and restrained from, directly or indirectly: (a) making use of any means or instruments of interstate commerce, or of the mails, to sell through the use or medium of any prospectus or otherwise, any security whatsoever, unless and until a registration statement has been filed with the Commission; (b) carrying or causing to be carried through the mails or in interstate commerce by any means or instruments of transportation, any security of any issuer whatsoever, for purposes of sale or delivery after sale, unless and until a registration statement has been filed with the Commission; or (c) making use of any means or instruments of transportation or

communication in interstate commerce or the mails to sell or offer to buy through the use or medium of any prospectus or otherwise any security of any issuer whatsoever, unless a registration statement has been filed with the Commission; in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 [15 U.S.C. 77e(a) and 77e(c)], provided however, that nothing in the foregoing portion of this injunction shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act.

III.

IT IS FURTHER ORDERED that Gregory G. Vernon and his agents, servants, employees, and all persons acting in concert with him are enjoined and restrained from, directly or indirectly through the means and instruments of transportation or communication in interstate commerce or the mails, publishing, giving publicity to, or circulating notices, circulars, advertisements, newspaper articles, letters, investment services, or communications which described any security whatsoever for a consideration received or to be received from the issuer of the security without fully disclosing the receipt, whether past or prospective, of any consideration and the amount thereof in violation of Section 17(b) of the Securities Act of 1933 [[15 U.S.C. § 77q(b)].

IV.

Defendant Gregory G. Vernon has submitted a sworn financial statement and other evidence and has asserted his financial inability to pay a civil penalty. The Commission has reviewed the sworn financial statement and other evidence provided by defendant Vernon and has determined that Vernon does not have the financial ability to pay a civil penalty. IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the Plaintiff may, at any time following entry of this Order, petition the Court to: 1) reopen this matter to consider whether Vernon provided accurate and complete financial information at the time such representations were made; 2) determine the amount of the civil penalty to be imposed; and 3) seek any additional remedies Plaintiff would have had in this proceeding had Vernon's consent and undertaking not been accepted by the Commission. No other issues shall be considered in such proceeding other than whether the financial information provided by Vernon was fraudulent, misleading, inaccurate or incomplete in any material respect, the amount of civil penalty to be imposed and whether any additional remedies should be imposed. Vernon may not, by way of defense to any such petition, contest the findings of this Order or the Court's authority to impose any additional remedies that were available in the original proceeding.

V.

Defendant Gregory G. Vernon has submitted a sworn financial statement and other evidence and has asserted his financial inability to pay disgorgement or prejudgment interest. The Commission has reviewed the sworn financial statement and other evidence provided by defendant Vernon and has determined that Vernon does not have the financial ability to pay disgorgement or prejudgment interest. IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Gregory G. Vernon shall pay disgorgement of \$70,000 plus prejudgment interest, jointly and severally with defendant Timberline Consultants, Inc., but that payment of such amount be waived based upon Vernon's demonstrated inability to pay. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Plaintiff may, at any time following the entry of this Order, petition the Court to 1) reopen this matter to consider whether Vernon provided accurate and complete financial information at the time such representations were made; 2) seek any additional remedies Plaintiff would have had in this proceeding had Vernon's consent and undertaking not been accepted by the Commission. No other issues shall be considered in such proceeding other than whether the financial information provided by Vernon was fraudulent, misleading, inaccurate or incomplete in any material respect, and whether any additional remedies should be imposed. Vernon

may not, by way of defense to any such petition, contest the findings of this Order or the Court's authority to impose any additional remedies that were available in the original proceeding.

VI.

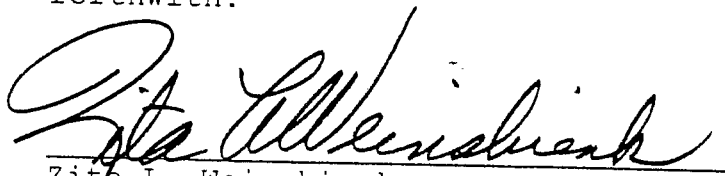
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed Consent and Undertaking of Defendant Gregory G. Vernon be, and the same hereby is, incorporated herein with the same force and effect as if fully set forth herein.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including implementation and enforcement of this Final Judgment.

VIII.

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



Zita L. Weinshienk
United States District Judge

Dated: July 15, 1999

EDD
UNITED STATES DISTRICT COURT
DENVER, COLORADO

JUL 16 1999

JAMES R. MANSPEKER
CLERK

CERTIFICATE OF SERVICE

Case No. 98-Z-1020

The undersigned certifies that a copy of the foregoing was served on July 16, 1999, by:

delivery to:

MAGISTRATE JUDGE MICHAEL J WATANABE

OR

depositing the same in the United States Mail, postage prepaid, addressed to:

ROBERT M FUSFELD ESQ
SECURITIES AND EXCHANGE COMMISSION
1801 CALIFORNIA STREET SUITE 4800
DENVER CO 80202

JOHN HENRY SCHLIE ESQ
THE WORLD TRADE CENTER BUILDING
1625 BROADWAY STE 1550
DENVER CO 80202

JAMES R. MANSPEAKER, Clerk

By Janette Dallard
Deputy Clerk