

U.S. DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS  
**FILED**  
FEB - 5 1999  
NANCY DOHERTY, CLERK  
By \_\_\_\_\_  
Deputy

**ORIGINAL**

IN THE UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

EDWARD SNYDER and  
ROBERT E. CARROLL

Defendants.

ORDER OF PERMANENT INJUNCTION  
AND OTHER RELIEF

3:98-CV-1215-H

ENTERED ON DOCKET  
FEB - 5 1999  
U.S. DISTRICT CLERK'S OFFICE

Plaintiff, the Securities and Exchange Commission ("Commission"), has duly commenced this action by filing a Complaint for Permanent Injunction and Other Equitable Relief ("Complaint") in this matter. Defendant Robert E. Carroll ("Carroll") has admitted the jurisdiction of this Court over him and the subject matter of this action, has waived a trial on the merits of the Complaint, has waived the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying the allegations of the Complaint except as to the jurisdiction of the Court, has consented in the Consent annexed hereto and incorporated herein to the entry of this Judgment of Permanent Injunction ("Judgment") against him, as requested in the Complaint, permanently restraining and enjoining him from engaging in acts and practices which constitute and will constitute violations of Section 17(a)(1), (2), or (3) of the Securities Act of 1933, as amended [15 U.S.C. §§ 77e(a), 77e(c), and 77(q)(a)(1), (2), and (3)], or violations of Section

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10(b) of the Securities Exchange Act of 1934, as amended [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. It appearing that the Court has jurisdiction over the Defendant and the subject matter and being fully advised in the premises and there being no just reason for delay:

I.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Carroll and his respective officers, agents, servants, employees, and attorneys and those persons in active concert or participation with him, who receive actual notice of the judgment by personal service or otherwise, are permanently restrained and enjoined from, directly or indirectly, by use of the mails or any means or instrumentality of interstate commerce, in connection with the purchase, offer or sale of securities of any issuer whatsoever, employing any device, scheme or artifice to defraud, making any untrue statement of material fact or omitting to state any material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, obtaining money or property by means of any untrue statement of material fact or any omission to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, or engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person or other conduct of similar purport and object, in violation of Section 17(a)(1), (2), or (3) of the Securities Act of 1933 [15 U.S.C. § 77q(a)(1), (2), and (3)], or

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

## II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Carroll disgorge all sums representing commissions received from the purchase and sale of securities as described in the Commission's Complaint. The Court hereby orders Carroll to pay \$472,500 in disgorgement representing the funds he received as described in the Commission's Complaint. The Court also hereby orders Carroll to pay prejudgment interest on disgorgement in the amount of \$28,732. Within ninety days from the date of this judgment, Carroll shall pay to the registry of this Court by cashier's or certified check payable to "Clerk, United States District Court" (1) the balance of disgorgement of \$26,523.65; and (2) prejudgment interest of \$28,732.

## III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that a civil penalty pursuant to the Securities Enforcement Remedies and Penny Stock Reform Act of 1990 in the sum of \$20,000 is imposed against defendant Carroll. Carroll shall pay such penalty into the Treasury of the United States. Such payment shall be made within 90 days from the entry of this Judgment and shall be made by U.S. postal money order, certified check, bank cashier's check or bank money order, payable to the Securities and Exchange Commission; shall be transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, with a

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Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, with a cover letter that identifies Carroll, the name and case number of this litigation and the name of the Court; and a copy of the cover letter shall be simultaneously transmitted to counsel for the Commission, Thomas M. Melton, Salt Lake District Office, Securities and Exchange Commission, 50 South Main Street, Suite 500, Salt Lake City, Utah 84144.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that funds previously frozen by this Court pursuant to the Order Freezing Assets, Order for Accounting, Order Granting Expedited Discovery and Other Relief dated May 22, 1998 and extended by Order of Preliminary Injunction and Other Relief dated June 12, 1998, shall be deposited by the financial institution at which they are frozen within thirty days of the entry of this Final Judgment, into the registry of this Court, to be retained in an interest bearing account pursuant to Rule 67 of the Federal Rules of Civil Procedure and the local rules of this Court. Said funds consist of funds in the account of First Albany Corporation, Account No. 2054-4331-NJ25. This financial institution shall pay the funds by cashier's check, payable to the Clerk, U.S. District Court, which check shall indicate the title and civil action number for this case.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that the provisions of the Consent filed concurrently with this Final Judgment are incorporated herein with the same force and effect as

if fully set forth herein and that Carroll shall comply with his Consent.

VI.

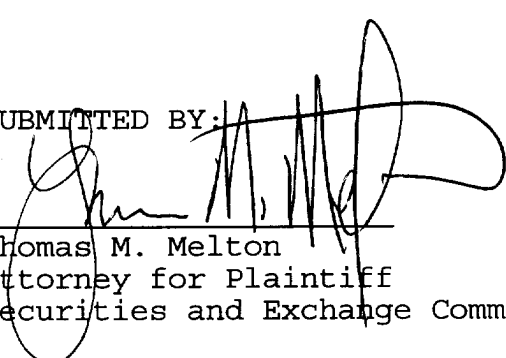
IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that this Court shall retain jurisdiction over this action for all other purposes, including, but not limited to, approval of any proposal for distribution of the monies deposited into the Court Registry and consideration of any suitable application or motion for additional relief within the jurisdiction of this Court.

There being no just reason for delay, the Clerk of this Court is directed to enter this Final Judgment forthwith.

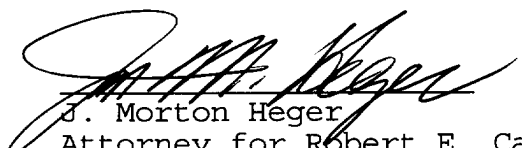
DATED this 5 day of FEB., 1998?

  
United States District Court Judge

SUBMITTED BY:

  
Thomas M. Melton  
Attorney for Plaintiff  
Securities and Exchange Commission

AGREED AS TO FORM:

  
J. Morton Heger  
Attorney for Robert E. Carroll

**CONSENT TO ENTRY OF INJUNCTION**

Defendant Robert E. Carroll ("Carroll"), having read and understood the terms of the Final Judgment of Permanent Injunction ("Final Judgment") set forth above, appears and admits to the in personam jurisdiction of this Court and to the jurisdiction of the Court over the subject matter of this action, waives a trial on the merits and waives the entry of Findings of Fact and Conclusions of Law pursuant to Rule 52 of the Federal Rules of Civil Procedure and consents, without admitting or denying the allegations contained in the Complaint of plaintiff Securities and Exchange Commission ("Commission"), to the entry, without further notice, of the annexed Final Judgment.

1. Defendant Carroll agrees that this Consent ("Consent") shall be incorporated by reference in and made part of the Final Judgment set forth above to be presented to the Court for signature, filing and entry contemporaneously herewith.

2. Defendant Carroll waives any right he may have to appeal from the Final Judgment set forth above.

3. Defendant Carroll enters into this Consent voluntarily and acknowledges that no tender, offer, promise or threat of any kind has been made by plaintiff Commission or any member, officer, agent or representative thereof, to induce him to enter into this Consent.

4. Defendant Carroll acknowledges that he has been informed that plaintiff Commission, at its sole or exclusive discretion, may refer this matter, or any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate civil, criminal or administrative jurisdiction. Carroll also acknowledges that he has been informed that the settlement of the instant action is not a bar to any action brought by the Securities and Exchange Commission with respect to the acts and transactions of Carroll not described in the Complaint. Specifically, without limitation, Carroll acknowledges and agrees that settlement of the instant action shall not constitute a bar as to him or any other person to any action arising out of any other pending or future Commission investigation or inquiry. Carroll understands that nothing in this consent is a bar to or will estop any administrative proceeding brought by plaintiff based on either this injunction or on the matters alleged in the Complaint or any other matters. Carroll also understands that plaintiff and its attorneys and agents has not made and cannot make representations as to other actions, if any, which may be taken by other agencies or departments of the United States government against him based on the facts alleged in the Complaint.

5. Defendant Carroll agrees that he will make himself available for and respond to discovery to the same extent as if he were a party in any action brought by the Securities and Exchange Commission relating in whole or in part to the allegations set forth in the Complaint herein.

A handwritten signature or set of initials, possibly 'JL', located in the bottom right corner of the page.

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

7. Defendant Carroll further consents that this Court shall retain jurisdiction over this matter for all purposes.

8. Defendant Carroll further acknowledges that this Consent embodies the entire understanding of the parties.

9. Consistent with the provisions of 17 C.F.R. § 202.5(f), Defendant Carroll waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

10. Defendant Carroll hereby consents and agrees that the Final Judgment set forth above may be presented by the Commission to the Court for signature and entry without further notice or delay.

11. Defendant Carroll agrees to execute an "Affidavit of Receipt of Final Judgment" acknowledging notice of entry, service and receipt of a copy of the Final Judgment following entry by the Clerk of the Court. Such affidavit will be executed and furnished to counsel for plaintiff within twenty-one days of the entry of the Final Judgment by the Clerk.

12. Carroll understands and agrees to comply with the SEC'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.



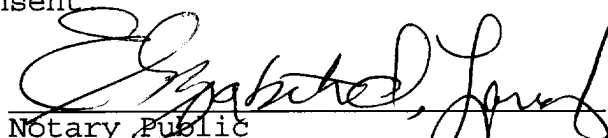
§202.5(e)). In compliance with this policy, Carroll agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis; and (ii) that upon the filing of this Consent, Carroll hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Carroll breaches this agreement, the SEC may petition the Court to vacate the Final Judgment and restore this case to its active docket. Nothing in this provision affects Carroll's testimonial obligations or right to take legal positions in litigation in which the SEC is not a party.

Dated: NOV 19th, 1998

  
ROBERT E. CARROLL

STATE OF Virginia )  
COUNTY OF Albemarle )

On this 19th day of NOVEMBER, 1998, before me personally appeared Robert E. Carroll to me known to be the person who executed the foregoing Consent.

  
Notary Public

MY COMMISSION EXPIRES - NOV 30, 1998