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UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

FILED
KENNETH J. HURPHY
CLERK

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U.S. DISTRICT COURT
SOUTHERN DIST. OHIO
EAST. DIV. COLUMBUS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff

v.

JAMES MICHAEL COGLEY, individually and
as a registered investment adviser
and THE OHIO ESTATE GROUP,

Defendants.

CIVIL ACTION
FILE NO. C2-98-802

HON. JUDGE MARBLEY
MAGISTRATE JUDGE KING

**FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION
AND OTHER EQUITABLE RELIEF AGAINST
JAMES MICHAEL COGLEY AND THE OHIO ESTATE GROUP**

Plaintiff Securities and Exchange Commission ("Commission") having filed a Complaint for Temporary Restraining Order, Preliminary and Permanent Injunction and Other Equitable Relief ("Complaint") in this matter, and Defendants James Michael Cogley ("Cogley") and The Ohio Estate Group ("OEG"), in each of their Consent and Stipulations attached hereto and incorporated herein (collectively, the "Consents"), having acknowledged receipt of the Complaint and admitted the personal jurisdiction of this Court over them and over the subject matter hereof, and the Commission, Defendants Cogley and OEG having waived the entry of Findings of Fact and Conclusions of Law as provided by Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying the allegations of the Complaint except as to jurisdiction, and without trial, argument, or adjudication of any issue of fact or law herein, having consented to the entry of this

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Final Order of Permanent Injunction and Other Equitable Relief ("Final Judgment"). The Court has jurisdiction over the parties and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Defendants Cogley and OEG, their officers, agents, servants, employees, attorneys, and those 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 are hereby permanently restrained and enjoined from, 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, directly or indirectly, employing any device, scheme or artifice to defraud in violation of Section 17(a)(1) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §77q(a)(1)].

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Cogley and OEG, their officers, agents, servants, employees, attorneys, and those 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 are hereby permanently restrained and enjoined from, 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, directly or indirectly, obtaining money or property by means of any untrue statement of a material fact or any omission 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 engaging in any transaction, practice, or course of

business which operates or would operate as a fraud or deceit upon the purchaser of such securities in violation of Section 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §77q(a)(2) and §77q(a)(3)].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Cogley and OEG, their officers, agents, servants, employees, attorneys, and those 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 are hereby permanently restrained and enjoined from, 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 in connection with the purchase or sale of any security:

- A. employing any device, scheme or artifice to defraud;
 - B. 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
 - C. 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 Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Cogley and his officers, agents, servants, employees, attorneys, and those 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 are hereby permanently restrained and enjoined from, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, effecting any transactions in, or inducing or attempting to induce the purchase or sale of any security (other than an exempted security or commercial paper, bankers' acceptances or commercial bills) unless registered with the Commission as a broker or dealer in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Cogley and his officers, agents, servants, employees, attorneys, and those 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 are hereby permanently restrained and enjoined from, while acting as a broker or dealer, directly or indirectly, by the use of the mails or any means or instrumentality of interstate commerce, effecting any transactions in, or inducing or attempting to induce the purchase or sale of any security (other than an exempted security or commercial paper, bankers' acceptances or commercial bills) otherwise than on a national exchange of which they are members, by means of any manipulative, deceptive, or other fraudulent device or contrivance or by means of any act, practice or course of business which operates or would operate as a fraud or deceit upon any person; or by means of any untrue statement of material

fact, or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, where such statement or omission is made with knowledge or reasonable grounds to believe that it is untrue or misleading, in violation of Section 15(c)(1) of the Exchange Act [15 U.S.C. §78o(c)(1)] and Rule 15c1-2 thereunder [17 C.F.R. §240.15c1-2].

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Cogley and his officers, agents, servants, employees, attorneys, and those 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 are hereby permanently restrained and enjoined from, by the use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, while acting as an investment adviser, employing any device, scheme or artifice to defraud any client or prospective client in violation of Section 206(1) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §80b-6(1)].

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Cogley and his officers, agents, servants, employees, attorneys, and those 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 are hereby permanently restrained and enjoined from, by the use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, while acting as an investment adviser, engaging in any transaction, practice, or course of business

which operates as a fraud or deceit upon any client or prospective client in violation of Section 206(2) of the Advisers Act [15 U.S.C. §80b-6(2)].

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED Defendants Cogley and OEG will disgorge any and all ill-gotten gains, including prejudgment interest. This Court will set the specific amount of disgorgement in a separate hearing upon due notice and motion by the Commission.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court will impose appropriate civil penalties upon Defendants Cogley and OEG pursuant to Section 20(d)(2) of the Securities Act [15 U.S.C. §77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. §80b-9(e)] in a separate hearing upon due notice and motion by the Commission.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commission is expressly authorized to engage in continued discovery for purposes of determining the amount of disgorgement and civil penalties, if any.

XI.

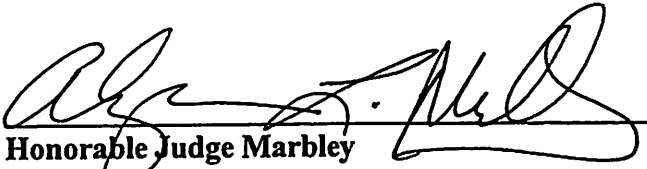
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent and Stipulations of Defendants Cogley and OEG be, and hereby are, incorporated herein with the same force and effect as if fully set out herein.

XII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, among other things, implementing and enforcing this Final Judgment and entertaining any suitable applications for additional relief within the jurisdiction of this Court.

XIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Final Judgment.


Honorable Judge Marbley
UNITED STATES DISTRICT COURT JUDGE

DATED: Nov. 29, 1999