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U.S. DISTRICT COURT  
AKRON

UNITED STATES DISTRICT COURT  
for the  
NORTHERN DISTRICT OF OHIO  
Eastern Division

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

P. JOSEPH VERTUCCI,  
BRUCE E. STRAUGHN,  
ROBERT V. PETRY,  
ROLAND R. BAUGHMAN,  
RICHARD M. JOHNSON,  
EDWARD MEYER, JR., and  
HAZLET INVESTORS, INC.,

Defendants,

and

JOANNE C. STRAUGHN,  
Relief Defendant.

CASE NO. 5:99CV426  
Polster, J.

JUDGMENT AS  
TO DEFENDANT  
ROLAND R. BAUGHMAN

Defendant Roland R. Baughman ("Defendant") having (i) entered a general appearance; (ii) consented to the Court's jurisdiction over Defendant and the subject matter of this action; (iii)

without admitting or denying the allegations of the Complaint, consented to entry of this Judgment without further notice; (iv) waived findings of fact and conclusions of law; and (v) waived any right to appeal from this Judgment, it is now

**ORDERED, ADJUDGED AND DECREED** that Defendant, and Defendant's officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from:

(a) violating 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) by, 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, (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;


(b) violating Section 17(b) of the Securities Act of 1933 [15 U.S.C. § 77q(b)], directly or indirectly, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, to publish, give publicity to, or circulate any notice, circular, advertisement, newspaper, article, letter, investment service, or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

**ORDERED, ADJUDGED AND DECREED** that Defendant is liable for disgorgement of \$50,684, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest in the amount of \$19,000, for a total of \$69,684. Defendant shall satisfy this obligation by paying to the Clerk of this Court \$2,500 within 10 business days after the filing of this Judgment, \$2,500 within 45 business days after the filing of this Judgment, and \$5,000 within 90 business days after the filing of this Judgment, together with a letter accompanying each such payment specifying that payment is made pursuant to this Judgment. Defendant shall simultaneously transmit photocopies of each such payment and letter to the SEC's counsel in this action. The Clerk shall hold these funds in the Registry, in an interest-bearing account, pending further order. By making this payment, Defendant relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Defendant. Based on Defendant's demonstrated inability to pay, as shown by a sworn financial statement furnished to the SEC, payment of \$59,684 of this disgorgement obligation is waived. However, if it shall appear that such financial statement was false or incomplete in any material respect when made, Defendant shall, on application by the SEC, be ordered to pay the full amount of disgorgement specified above.

**ORDERED, ADJUDGED AND DECREED** that based on Defendant's demonstrated inability to pay, as shown by a sworn financial statement furnished to the SEC, the Court is not directing Defendant to pay a civil penalty pursuant to Section 20(d) of the Securities Act of 1933 (15 U.S.C. §77t(d)) and Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. §78u(d)(3)). However, if it shall appear that such financial statement was false or incomplete in any material respect when made, Defendant shall, on application by the SEC, be ordered to pay a penalty in an amount to be set by the Court.

There being no just reason for delay, pursuant to Fed. R. Civ. P. 54(b), the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated: January 22, 2002

  
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UNITED STATES DISTRICT JUDGE