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

SECURITIES AND EXCHANGE COMMISSION,)	
)	
)	
Plaintiff,)	
)	
v.)	CASE NO. 5:99CV426
)	Polster, J.
P. JOSEPH VERTUCCI,)	
BRUCE E. STRAUGHN,)	
ROBERT V. MEYER,)	FINAL JUDGMENT OF
ROLAND R. BAUGHMAN,)	PERMANENT INJUNCTION
RICHARD M. JOHNSON,)	AND OTHER RELIEF AS
EDWARD MEYER, JR., and)	TO DEFENDANTS
HAZLET INVESTORS, INC.,)	EDWARD MEYER, JR.
)	AND HAZLET
Defendants,)	INVESTORS, INC.
and)	
)	
JOANNE C. STRAUGHN,)	
Relief Defendant.)	

Plaintiff Securities and Exchange Commission (the "Commission"), having filed a Complaint alleging that defendants Edward Meyer, Jr. ("Meyer") and Hazlet Investors, Inc. ("Hazlet") violated Sections 5(a) and 5(c) and 17(b) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77e(a) and (c) and 77q(b)], and 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], and Meyer and Hazlet, in their Consent, filed herewith and annexed hereto, having entered a general appearance, having acknowledged receipt of the Complaint, having admitted the jurisdiction of the Court over them and the subject matter of this action, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having withdrawn their Answer to the Complaint to the extent it denies any allegation in the Complaint and, solely for the purpose of this action, without admitting or denying any of the allegations of the Complaint (except as to jurisdiction, which they admit), and having consented to the entry of this Final Judgment of Permanent Injunction and Other Relief as to Defendants Edward Meyer, Jr. and Hazlet Investors, Inc. ("Final Judgment") and it appearing to the Court that this Court has jurisdiction over Meyer and Hazlet and over the subject matter of this action, and the Court being fully advised in the premises,

I

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Meyer and Hazlet, their officers, agents, servants, employees, and 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 they hereby are permanently restrained and enjoined from violating Section 5(a) and 5(c) of the Securities Act

[15 U.S.C. § 77e(a) and (c)] by, directly or indirectly, in the absence of any applicable exemption:

- A. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any issuer, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect as to such securities;
- B. carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, the securities of any issuer, unless and until a registration statement is in effect as to such securities;
- C. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any securities of any issuer, unless and until a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

II

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Meyer and Hazlet, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Judgment, are

permanently restrained and enjoined from 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:

- 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.

III

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Meyer and Hazlet, their 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 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.

IV

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Meyer and Hazlet shall comply with their undertaking that, in connection with this action or any related judicial or administrative action or investigation undertaken by or on behalf of, or authorized by, the Commission or to which the Commission is a party, they will (a) produce documents and make himself available for interviews upon the request of the Commission or its staff; and (b) accept service by mail of subpoenas for any depositions, trials or hearings, and hereby waive the territorial limits on service set forth in Rule 45 of the Federal Rules of Civil Procedure.

V

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Meyer and Hazlet are jointly and severally liable to pay disgorgement in the amount of \$272,307, representing ill-gotten gains as a result of the conduct alleged in the Complaint, together with pre-judgment interest in the amount of \$432,161.03. Based upon Meyer's sworn representations in his Statement of Financial Condition dated January 3, 2002, and other documents submitted to the Commission, payment of all but \$75,000 of the disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of Meyer's Statement of Financial Condition. Meyer and Hazlet shall satisfy this obligation by paying to the Clerk of this Court \$75,000 within 10 business days after the filing of this Judgment, together with a letter accompanying such payment specifying that payment is made pursuant to this Judgment. Meyer and Hazlet 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, Meyer and Hazlet relinquish all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Meyer or Hazlet.

VI

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that based on Meyer's sworn representations in his Statement of Financial Condition dated January 3, 2002, and other documents submitted to the Commission, the Court is not ordering Meyer or Hazlet to pay a civil penalty. The determination not to impose a civil penalty and to waive payment of all but \$75,000 of the disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of Meyer's Statement of Financial Condition.

VII

IT IS FURTHER ORDERED ADJUDGED AND DECREED that if at any time following the entry of this Final Judgment the Commission obtains information indicating that Meyer's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Meyer or Hazlet, petition the Court for an order requiring Meyer and Hazlet to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Meyer was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its

petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Meyer and Hazlet to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Meyer and Hazlet may not, by way of defense to such petition: (1) challenge the validity of his Consent or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

VIII

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Meyer and Hazlet shall comply with the annexed Consent, which is incorporated herein by reference with the same force as if fully set forth in this Final Judgment.

IX

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

X

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



UNITED STATES DISTRICT JUDGE

DATED: May 20, 2002