

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

SECURITIES AND EXCHANGE COMMISSION  
450 Fifth Street, N.W.  
Washington, D.C. 20549,

Plaintiff,

v.

DAVID E. STEVENSON and  
MARK A. STEVENSON,

Defendants.

Civil Action No. 99-1470 DWF/AJB

**FINAL JUDGMENT AS TO DAVID E. STEVENSON**

This Court having determined that:

1. Plaintiff Securities and Exchange Commission ("Commission") filed a Complaint;
2. Defendant David E. Stevenson ("Stevenson"), in the attached Consent and

Undertakings of David E. Stevenson ("Consent"), the provisions of which are expressly incorporated herein, entered a general appearance; admitted the jurisdiction of this Court over him and the subject matter of this action; waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure; and without admitting or denying the allegations of the Complaint except as to jurisdiction, consented to the entry of this Final Judgment as to David E. Stevenson ("Final Judgment"); and

3. This Court has jurisdiction over Stevenson and the subject matter of this action:

FILED OCT 07 1999  
FRANCIS E. DOSAL CLERK  
JUDGMENT FILED  
DEPUTY CLERK

**I.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Stevenson, his officers, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, who receive actual notice of this order by personal service or otherwise, be and are hereby permanently enjoined from violating Section 17(a) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. § 77q(a)], in the offer or sale of 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, by:

- (a) employing any device, scheme, or artifice to defraud;
- (b) 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
- (c) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser.

**II.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Stevenson, his officers, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, be and are hereby permanently enjoined from violating Section 10(b) of the Securities and Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated

thereunder, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange, directly or indirectly, by:

- (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 connection with the purchase or sale of any security.

### III.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Stevenson, his officers, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, who receive actual notice of the Final Judgment by personal service or otherwise, be and are hereby permanently enjoined from violating, directly or indirectly, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

### IV.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Stevenson, his officers, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, who receive actual notice of this Final Judgment by personal service or

otherwise, be and are hereby permanently enjoined from violating Exchange Act Rule 13b2-1 [17 C.F.R. § 240.13b2-1] by, directly or indirectly, falsifying, or causing to be falsified, any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

**V.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Stevenson, his officers, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them, who receive actual notice of this Final Judgment by personal service or otherwise, be and are hereby permanently enjoined from violating Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2] by, directly or indirectly:

- (a) making or causing to be made a materially false or misleading statement, or
- (b) omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading,

to an accountant in connection with (1) any audit or examination of the financial statements of any issuer required to be made pursuant to the Exchange Act [15 U.S.C. §§ 78a et seq.] and the rules and regulations promulgated thereunder or (2) the preparation or filing of any document or report required to be filed with the Commission pursuant to the provisions of the Exchange Act or the rules or regulations promulgated thereunder or otherwise.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Stevenson pay a civil penalty of \$25,000 (US) pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act, [15 U.S.C. § 78u(d)(3)]. Stevenson shall make payment of the \$25,000 (US) to the United States Treasury within ten (10) business days of the entry of the Final

Judgment. Such payment shall be (a) made by United States postal money order, certified check, bank cashier's check, or bank money order; (b) made payable to the Securities and Exchange Commission; (c) hand-delivered or mailed to the Comptroller, U.S. Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (d) submitted with a cover letter that identifies Stevenson as a defendant in this action, the caption and the civil action number of this action, and the name of this Court. A copy of the cover letter and money order or check shall be sent to Marilyn H. Weimer, Senior Counsel, Division of Enforcement, U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 7-9, Washington, D.C. 20549-0709.

#### VII.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Stevenson is prohibited, for a period of three years from the date of the entry of this Final Judgment, from acting as an officer or director of any issuer having a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

#### VIII.

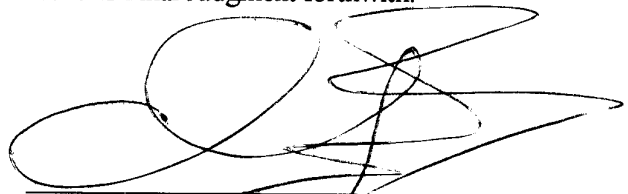
**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Stevenson, in accordance with his agreement in his Consent, in connection with this action or any related judicial or administrative action or investigation undertaken by or on behalf of, or authorized by, the Commission or to which the Commission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

**IX.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Stevenson shall comply with the annexed Consent, which is incorporated herein with the same force as if fully set forth in 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 Oct 7, 1999