



and without admitting or denying any violation of the federal securities laws, except as to jurisdiction, as set forth herein.

It appears this Court has in personam jurisdiction over Klutts, and subject matter jurisdiction over the cause of action claimed by the Commission; that no further notice or hearing is required prior to entry of this Final Judgment and there is no just reason for delay; and the Court has been fully advised of the premises for entry of this Final Judgment.

IT IS THEREFORE ORDERED:

I.

Klutts and his agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently restrained and enjoined, directly or indirectly, in connection with the purchase or sale of securities, from making use of any means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange:

- a.) to employ devices, schemes and artifices to defraud;
- b.) to make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c.) to engage in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons, in connection with the purchase and sale of securities.

## II.

Klutts and his agents, servants, employees, attorneys-in-fact and all other 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 hereby are permanently restrained and enjoined, in the offer or sale of securities, from making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, directly or indirectly:

- a.) to employ devices, schemes or artifices to defraud;
- b.) to obtain money or property by means of untrue statements of material fact or omissions to state material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and
- c.) to engage in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

## III.

Klutts and his agents, servants, employees, attorneys-in-fact and all other 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 hereby are permanently restrained and enjoined from 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 and prospective, of such consideration and the amount thereof.

IV.

Klutts shall, within 60 days of the entry of this Final Judgment, pay to the United States Treasury, a civil penalty 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)], in the amount of \$5,000. 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, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies Klutts as a defendant in this civil action, and the docket number hereof, a copy of which cover letter and money order or check shall be sent to Harold F. Degenhardt, the District Administrator of the Fort Worth District Office, Securities and Exchange Commission, 801 Cherry Street, Suite 1900, Fort Worth Texas 76102.

V.

The Consent filed herein be, and the same is hereby, incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

VI.

This Court shall retain jurisdiction over this matter and over Klutts for purposes of enforcing the terms of this Final Judgment and for all other purposes.

VII.


This Final Judgment may be served upon Klutts in person or by mail, either by the

United States Marshal, by the Clerk of the Court or by any member of the staff of the Commission.

SIGNED this 30<sup>th</sup> day of January, ~~1999~~, 2000

  
UNITED STATES DISTRICT JUDGE

Agreed as to Form and Substance:

  
RICHARD HEWITT, ESQ.  
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