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CLERK, U.S. DIST. COURT  
EASTERN DISTRICT OF CALIF.

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CLERK, U.S. DISTRICT COURT  
EASTERN DISTRICT OF CALIFORNIA

BY

DEPUTY CLERK

UNITED STATES DISTRICT COURT  
FOR EASTERN DISTRICT OF CALIFORNIA  
FRESNO DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ALLIANCE INDUSTRIES,  
PETER H. NORMAN, and  
DONALD A. BAILLARGEON

Defendants.

CASE NO. 99-6073 REC DLB

FINAL JUDGMENT OF  
PERMANENT INJUNCTION  
AS TO DEFENDANT  
DONALD A. BAILLARGEON

Plaintiff SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"), having  
duly commenced this action by filing its Complaint, and Defendant DONALD A. BAILLARGEON  
("BAILLARGEON"), having in the CONSENT AND UNDERTAKINGS OF DEFENDANT  
DONALD A. BAILLARGEON (the "CONSENT") entered a general appearance herein, having

1 admitted the jurisdiction of this Court over him and over the subject matter of this action, having  
 2 waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules  
 3 of Civil Procedure, and without trial, argument or adjudication of any issue of fact or law, having  
 4 consented to the entry of this FINAL JUDGMENT OF PERMANENT INJUNCTION AS TO  
 5 DEFENDANT DONALD A. BAILLARGEON ("FINAL JUDGMENT"), (i) permanently  
 6 restraining and enjoining Defendant BAILLARGEON from violating Section 10(b) of the Securities  
 7 Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Exchange Act Rule 10b-5 [17  
 8 C.F.R. § 240.10b-5] thereunder, and Section 17(a) of the Securities Act of 1933 ("Securities Act")  
 9 [15 U.S.C. § 77q(a)] and (ii) ordering Defendant BAILLARGEON to pay a civil penalty of  
 10 \$10,000, and the Court being fully advised in the premises:  
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 14 **I.**

15 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant  
 16 BAILLARGEON, his agents, servants, employees, attorneys and those persons in active concert or  
 17 participation with them who receive actual notice of the FINAL JUDGMENT, by personal service  
 18 or otherwise, and each of them, is permanently restrained and enjoined from violating Section 10(b)  
 19 of the Exchange Act [15 U.S.C. § 77q(a)], and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5]  
 20 thereunder by, directly or indirectly, using any means or instrumentality of interstate commerce, or  
 21 of the mails, or of any facility of any national securities exchange to:

- 22 (1) employ any device, scheme or artifice to defraud;  
 23  
 24 (2) make any untrue statement of a material fact or to omit to state a material fact  
 25 necessary in order to make the statements made, in light of the circumstances under  
 26 which they were made, not misleading; or  
 27  
 28

1 (3) engage in any act, practice, or course of business which operates or would operate  
2 as a fraud or deceit upon any person,  
3 in connection with the purchase or sale of any security.  
4

5 **II.**

6 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant  
7 BAILLARGEON, his agents, servants, employees, attorneys and those persons in active concert or  
8 participation with them who receive actual notice of the FINAL JUDGMENT, by personal service  
9 or otherwise, and each of them, is permanently restrained and enjoined from violating Section 17(a)  
10 of the Securities Act [15 U.S.C. §77q(a)] by, in the offer or sale of any securities by the use of any  
11 means or instruments of transportation or communication in interstate commerce or by the use of  
12 the mails, directly or indirectly:  
13

- 14 (1) employing any device, scheme or artifice to defraud,  
15  
16 (2) obtaining money or property by means of any untrue statement of a material fact or any  
17 omission to state a material fact necessary in order to make the statements made, in the  
18 light of the circumstances under which they were made, not misleading, or  
19 (3) engaging in any transaction, practice or course of business which operates or would  
20 operate as a fraud or deceit upon the purchaser.  
21

22 **III.**

23 **IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that based  
24 upon Defendant BAILLARGEON's sworn representations in his Statement of Financial Condition  
25 dated January 12, 2001, and submitted to the COMMISSION, the Court is ordering him to pay a  
26 civil penalty of \$10,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], and  
27  
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1 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The determination to impose a civil  
2 penalty of \$10,000 is contingent upon the accuracy and completeness of Defendant  
3 BAILLARGEON's Statement of Financial Condition. If at any time following the entry of this  
4 FINAL JUDGMENT the COMMISSION obtains information indicating that Defendant  
5 BAILLARGEON's representations to the COMMISSION concerning his assets, income liabilities  
6 or net worth are fraudulent, misleading, inaccurate or incomplete in any material respect as of the  
7 time such representations were made, the COMMISSION may at its sole discretion and without  
8 prior notice to Defendant BAILLARGEON, petition this Court to seek civil penalties that the  
9 COMMISSION would be authorized to seek in this proceeding if Defendant BAILLARGEON's  
10 CONSENT had not been accepted. In connection with any such petition, the only issues shall be  
11 whether the financial information provided by Defendant BAILLARGEON was fraudulent,  
12 misleading, inaccurate or incomplete in any material respect as of the time such representations  
13 were made, and the amount of the increased civil penalty to be imposed. In its petition, the  
14 COMMISSION may move this Court to consider all available remedies, including, but not limited  
15 to, ordering Defendant BAILLARGEON to pay funds or assets, directing the forfeiture of any  
16 assets, or sanctions for contempt of this FINAL JUDGMENT, and the COMMISSION may also  
17 request additional discovery. Defendant BAILLARGEON may not, by way of a defense to such  
18 petition, challenge the validity of his CONSENT or the FINAL JUDGMENT, contest the  
19 allegations in the Complaint filed by the COMMISSION, assert that payment of the increased civil  
20 penalty should not be ordered, or contest the imposition of the increased civil penalty. Payment of  
21 the civil penalty of \$10,000 is to be made within one (1) year of the entry of this FINAL  
22 JUDGMENT. Payment must be made by U.S. Postal money order, certified check, bank cashier's  
23 check, or bank money order, made payable to the "SECURITIES AND EXCHANGE  
24 COMMISSION" and bearing on its face the caption SEC v. ALLIANCE INDUSTRIES, Civ.

1 Action No. 99-6073 REC DLB; and be transmitted by certified mail (return receipt requested) to the  
2 Comptroller, U.S. Securities and Exchange Commission, Operations Center, 6432 General Green  
3 Way, Mail Stop O-3, Alexandria, Virginia 22312; under cover of a letter that identifies the  
4 defendant, the name and case number of this action, the name of this Court and the  
5 COMMISSION's case number (HO-3226). A copy of the cover letter and the check or money  
6 order should be transmitted simultaneously to Noel A. Gittens, Esq. at the U.S. Securities and  
7 Exchange Commission, 450 Fifth Street, N.W., Mail Stop 7-7, Washington, D.C. 20549-0707.  
8

9  
10 **IV.**

11 **IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant  
12 BAILLARGEON agrees to comply with his undertakings to cooperate with the COMMISSION and  
13 its staff and truthfully disclose all information with respect to his activities and the activities of  
14 others about which the COMMISSION or its staff may inquire with respect to the matters alleged in  
15 the Complaint; testify in all investigations, administrative and judicial proceedings involving the  
16 Commission as a party at which the COMMISSION or its staff makes requests for its testimony;  
17 make himself available as may be required by the COMMISSION or its staff; produce any  
18 documents within his possession, custody or control, domestic or foreign, which are requested by  
19 the COMMISSION or its staff; be accompanied at any time he so desires by counsel of its choice;  
20 and give truthful and accurate information and testimony and not assert any evidentiary or other  
21 privilege, other than the attorney-client and work product privileges. Notwithstanding the  
22 foregoing, nothing herein should limit or otherwise affect BAILLARGEON's rights under the Fifth  
23 Amendment of the United States Constitution.  
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V.

IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED that the annexed CONSENT be, and the same hereby is, incorporated herein by reference with the same force and effect as if fully set forth herein.

VI.

There being no just cause 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: Jan 10, 2002

United States District Court  
for the  
Eastern District of California  
January 11, 2002

\* \* CERTIFICATE OF SERVICE \* \*

1:99-cv-06073

US Securities

v.

Alliance Industries

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I, the undersigned, hereby certify that I am an employee in the Office of the Clerk, U.S. District Court, Eastern District of California.

That on January 11, 2002, I SERVED a true and correct copy(ies) of the attached, by placing said copy(ies) in a postage paid envelope addressed to the person(s) hereinafter listed, by depositing said envelope in the U.S. Mail, by placing said copy(ies) into an inter-office delivery receptacle located in the Clerk's office, or, pursuant to prior authorization by counsel, via facsimile.

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By:  
*A. Lopez*