

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

SECURITIES AND EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	Case No.: 4:05-CV-472
	§	
vs.	§	
	§	
TRAVIS E. CORRELL, individually and doing	§	
business as Horizon Establishment, et al.	§	
	§	
Defendants,	§	
and	§	
	§	
BANNER SHIELD, LLC; et al.	§	
	§	
Defendants Solely for	§	
Purposes of Equitable Relief.	§	

Final Judgment by Default against Defendant Sovereign Capital Investments, S.A.

This matter came before this Court on the motion of plaintiff, Securities and Exchange Commission, seeking entry of a final judgment by default, providing it with the relief requested in its *Complaint* against Defendant Sovereign Capital Investments, S.A. (“Defendant” or “Sovereign”) by reason of its failure to answer the Commission's *Complaint*, or otherwise appear in or defend this civil action.

This Court having considered the pleadings and declarations on file herein makes the following findings of fact and conclusions of law:

1. The Commission’s *Complaint* against Defendant was filed herein on December 7, 2005.
2. Defendant was served with the *Complaint* and *Summons* on April 26, 2006.

3. Defendant has not filed an answer to the *Complaint*, nor has Defendant otherwise appeared before this Court to defend in this cause.

4. Defendant is not an infant or incompetent. Defendant is not eligible for relief under the Soldiers' and Sailors' Civil Relief Act of 1940 [50 U.S.C. Appendix, § 501 et seq.].

5. The Court has personal jurisdiction over Defendant and the subject matter jurisdiction over this action. Venue is proper in this district.

6. The Commission seeks an order enjoining Defendant from committing future violations, or causing future violations, of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e (c) and 77q(a)], 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].

7. The Commission seeks the entry of an order that directs Defendant to pay disgorgement, representing the amount paid or attributable to it from the proceeds of unlawful securities transactions set out in the Commission's *Complaint* and prejudgment interest accrued at the rate permitted by law, from the date the funds were received through the date of this motion.

8. The Commission seeks to recover an appropriate civil penalty from Defendant pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act, because its violations of the federal securities laws, as described in the Commission's *Complaint*, (a) involved fraud, deceit and a deliberate or reckless disregard of regulatory requirements, and (b) directly or indirectly resulted in substantial losses to investors or, at least, created a significant risk of substantial losses to investors.

9. Upon entry of the final judgment by default, the Commission will present evidence to this Court regarding the amount of disgorgement, and the prejudgment interest calculation, that the Commission is seeking against the Defendant.

10. Upon entry of the default judgment, the Commission will recommend to this Court a civil money penalty in a specific amount that the Commission is seeking against the Defendant.

On the basis of the foregoing findings of fact and conclusions of law:

I.

IT IS HEREBY ORDERED, ADJUDGED and DECREED that Defendant, its officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with it who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using 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) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY ORDERED, ADJUDGED and DECREED that Defendant, its officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with it who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY ORDERED, ADJUDGED and DECREED that Defendant, its officers, agents, servants, employees, attorneys-in-fact and those persons in active concert or participation with it who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce

or of the mails to sell such security through the use or medium of any prospectus or otherwise;

- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (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 security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS FURTHER ORDERED, ADJUDGED and DECREED that based on the Defendant's default and its incumbent admission of the facts plead against it in the Commission's *Complaint*, disgorgement should be ordered, and prejudgment interest thereon, and a civil money penalty assessed. Upon entry of this Order, the Commission shall make application to this Court, supported by affidavit or declaration, for an order setting the disgorgement amount, and assessing prejudgment interest and a civil money penalty. Following entry of such order and assessment, the Commission shall request entry of a final judgment, pursuant to FED. R. CIV. P. Rules 54 and 58.

V.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in its *Complaint*.

VI.

This *Final Judgment by Default* may be served upon Defendant in person or by mail either by the United States Marshal, the Clerk of the Court, or any member of the staff of the Securities and Exchange Commission.

VII.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this *Final Judgment by Default* pursuant to FED. R. CIV. P. 54, 58 and 79.

SIGNED this the 8th day of December, 2006.



RICHARD A. SCHELL
UNITED STATES DISTRICT JUDGE