

2. The Commission is a proper party to bring this action seeking the relief sought in its *Complaint*.

3. The Commission has demonstrated a *prima facie* case that Defendants have engaged and are engaged in acts and practice which did, do and will constitute 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].

4. There is good cause to believe that Defendants will continue to engage in the acts and practices constituting the violations set forth in paragraph 3 unless restrained and enjoined by an order of this Court.

6. The Commission has presented sufficient evidence to demonstrate that an accurate accounting is appropriate to determine the disposition of investor funds.

7. It is necessary to guard the business records of Defendants from destruction.

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IT IS THEREFORE ORDERED that during the pendency of the matter, Defendants and their agents, employees, servants, attorneys and all persons in active concert or participation with them who receive actual notice of this *Order*, by personal service or otherwise, be and hereby are preliminarily enjoined from any of the following:

A. violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by, directly or indirectly, in the offer or sale of any security by the use of any means or instrument of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly;

- (i) employing any device, scheme or artifice to defraud; or
- (ii) obtaining money or property by means of any untrue statement of material fact or any omission to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which they were made, not misleading; or
- (iii) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser;

B. violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] by, directly or indirectly, by the use of any means or instrumentality of interstate commerce, of the mails or of any facility of any national securities exchange, using or employing in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered, any manipulative or deceptive device or contrivance in contravention of a rule or regulation prescribed by the Securities and Exchange Commission;

C. violating Rule 10b-5 of the Securities and Exchange Commission [17 C.F.R. § 240.10b-5] by the direct or indirect use of any means or instrumentality of interstate commerce, of the mails or any facility of any national securities exchange;

- (i) employing any device, scheme or artifice to defraud;
- (ii) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement(s) made, in the light of the circumstances under which they were made, not misleading, or

(iii) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person; and

D. violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)], directly or indirectly, singly or in concert with others, by offering to sell, selling and delivering after sale, certain securities and by, directly and indirectly, (a) making use of the means and instruments of transportation and communication in interstate commerce and of the mails to sell securities, through the use of written contracts, offering documents and otherwise, or (b) carrying and causing to be carried through the mails and in interstate commerce by the means and instruments of transportation such securities for the purpose of sale and for delivery after sale, or (c) making use of the means or instruments of transportation and communication in interstate commerce and of the mails to offer to sell such securities, 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 has been 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 that Defendants and their officers, agents, employees, servants, attorneys and all persons in active concert or participation with them, who receive actual notice of this *Order* by personal service or otherwise, are restrained and enjoined from, directly or indirectly, making any payment or expenditure of funds (including charges on any credit card or draws on any other credit arrangement), and from assigning, conveying, transferring, encumbering, disbursing, dissipating, selling, hypothecating or concealing any assets, monies, or other property

owned by or in the actual or constructive possession of Defendants pending a showing to this Court that they have sufficient funds or assets to satisfy all claims arising from the violations alleged in the *Complaint*, pending the posting of a bond or surety sufficient to assure payment of any such claim, or until further order of this Court. Further, any bank, trust company, broker-dealer or other depository institution holding accounts for or on behalf of the Defendants shall make no transactions in securities (excepting liquidating transactions necessary as to wasting assets) and no disbursements of funds or securities (including extensions of credit, or advances on existing lines of credit), including the honor of any negotiable instrument (including specifically, any check, draft, or cashier's check) purchased by or for Defendants pending further order of this Court.

III.

IT IS FURTHER ORDERED that any bank, savings and loan association, trust company, broker-dealer, commodities dealer, or other financial or depository institution which holds an account in the name of, for, controlled by or on behalf of Defendants be and hereby is restrained and enjoined from engaging in any transaction in securities (excepting liquidating transactions) or any disbursement of funds or securities in such account pending further order of this Court. All other individuals, corporations, partnerships, limited liability companies and other artificial entities are hereby restrained and enjoined from disbursing any funds, securities or other property obtained from Defendants without adequate consideration. This provision shall continue in full force and effect until further order by this Court and shall not expire.

IV.

IT IS FURTHER ORDERED that Defendants their directors, officers, agents, servants, employees, attorneys and other persons in active concert or participation with them who receive

actual notice of this order, by personal service or otherwise, and each of them, be and hereby are preliminarily enjoined from destroying, removing, mutilating, altering, concealing and/or disposing of, in any manner, any books and records owned by or pertaining to the financial transactions and assets of Defendants.

V.

IT IS FURTHER ORDERED that Defendants are hereby required to make an interim accounting, under oath, within thirty (30) days of the issuance of this *Order*, (1) detailing all monies and other benefits which he received, directly and indirectly, as a result of the activities alleged in the *Complaint* (including the date on which the monies or other benefit was received and the name, address and telephone number of the person paying the money or providing the benefit), (2) listing all current assets wherever they may be located and by whomever they are being held (including the name and address of the holder and the amount or value of the holdings) and (3) listing all accounts with any financial or brokerage institution maintained in the name of, on behalf of or for the benefit of Defendant (including the name and address of the account holder and the account number) and the amount held in each account at any point during the period from February 1, 2002, through the date of the accounting. The interim accountings are to be provided by Defendant by delivery to the Commission address as follows:

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Fort Worth District Office
Attention: Marshall Gandy
Burnett Plaza, Suite 1900
801 Cherry Street, Unit #18
Fort Worth, Texas 76102-6882
Facsimile: (817) 978-4927

Such delivery shall be made by the most expeditious means available, including facsimile machine. This provision shall continue in full force and effect until further order by this Court and shall not expire.

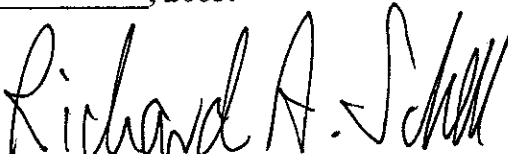
VI.

IT IS FURTHER ORDERED that the *Order Appointing Receiver* entered December 7, 2005, shall continue and that Defendants and their agents, servants, employees, attorneys and all persons in active concert or participation with them, who receive actual notice of this *Order* by personal service or otherwise, and each of them, are ordered to comply with the *Order Appointing Receiver*.

VII.

IT IS FURTHER ORDERED that this Order shall remain in full force and effect until final disposition of this matter or until specifically modified by further order of this Court.

Dated this 13th day of December, 2005.


RICHARD A. SCHELL
UNITED STATES DISTRICT JUDGE