

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE COMMISSION, :
Plaintiff, :

v. :
RICHARD J. COLLINS, D/B/A CAPITAL :
INVESTMENT CONCEPTS, LTD., CUTTING :
EDGE MARKETING, LIGHT OF THE WORLD, :
AND MIDWEST FINANCIAL FUNDS :

BILL WILSON, :
JEROME COPPAGE, :
THE GATEWAY ASSOCIATION, AND :
THE GATEWAY ASSOCIATION (ILLINOIS), :
Defendants, :

and :
DAVID MORGENSTERN, :
WILLIAM J. WINDSOR, :
LINDA A. FEHL, :
MALCOLM SILVERMAN, :
JANET COLLINS, AND :
CHRISTINE TODD, :
Relief Defendants. :

Civil Action File
No. 01C 3085
Judge Kennelly

Magistrate Judge Nolan

DOCKETED
AUG 21 2002

**ORDER OF PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF
AGAINST RICHARD COLLINS**

Plaintiff United States Securities and Exchange Commission ("Commission"), having filed a Complaint in this matter, and Defendant Richard Collins ("Collins"), in his Consent and Stipulation attached hereto and incorporated herein ("Consent"), having acknowledged receipt of the Complaint and admitted the personal jurisdiction of this Court over him and over the subject matter hereof, and both the Commission and Collins having waived the entry of Findings of Fact and Conclusions of Law as

provided by Rule 52 of the Federal Rules of Civil Procedure, and Collins, without admitting or denying the allegations of the Complaint except as to jurisdiction, and without trial, argument, or adjudication of any issue of fact or law herein, having consented to the entry of this Order of Permanent Injunction and Other Equitable Relief ("Order"), and it further appearing that the Court has jurisdiction over the parties and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that Collins, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him 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, directly or indirectly:

- (1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell or offer to sell securities through the use or medium of any prospectus or otherwise, unless a registration statement is in effect with the Commission as to such securities;
- (2) carrying or causing to be carried such securities through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, unless a registration statement is in effect with the Commission as to such securities; or
- (3) 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 such securities, through the use or medium of any prospectus or otherwise, unless a registration statement has been filed

with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order or any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. 77h], in violation of Sections 5(a) or 5(c) of the Securities Act of 1933 (“Securities Act”) [15 U.S.C. §§77e(a) or (c)].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Collins, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him 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, directly or indirectly, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, in the offer or sale of any securities:

- (1) employing any device, scheme or artifice to defraud;
- (2) 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 statements made, in the light of the circumstances under which they were made, not misleading; or
- (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser of such securities,

in violation of Sections 17(a)(1), (2) or (3) of the Securities Act [15 U.S.C. §§77q(a)(1), (2) or (3)].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Collins, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him 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, directly or indirectly, by the use of 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:

- (1) employing any device, scheme or artifice to defraud;
- (2) making any untrue statement of 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
- (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of 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].

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, Defendant Collins shall pay disgorgement in the amount of \$10,988,564.76, jointly and severally, representing the amount of benefits gained from certain conduct alleged in the Complaint, plus prejudgment interest of \$4,024,871.47, for a total of \$15,013,436.23. Defendant Collins will take all reasonable steps necessary to pay the disgorgement and prejudgment interest. The payment of the disgorgement and prejudgment

interest shall be made payable to the Registry of the Court for the U.S. District Court for the Northern District of Illinois, by United States Postal money order, certified check, bank cashier's check or bank money order. A copy of the money order or check shall be sent to Douglas W. Hyman, Division of Enforcement, Securities and Exchange Commission, 175 W. Jackson Boulevard, Suite 900, Chicago, IL 60604. The Clerk of the Registry of the Court shall deposit these payments into an interest-bearing account and shall deduct from the account any fee authorized by the Judicial Conference of the United States.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 20(d) of the Securities Act of 1933 or Section 21(d)(3) of the Securities Exchange Act of 1934, Defendant Collins shall pay to the U.S. Treasury a civil money penalty in the amount of \$10,988,564.76. Defendant Collins will take all reasonable steps necessary to pay the civil money penalty. 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 Richard Collins as a defendant in this matter, the case number of this matter, and a copy of which cover letter and money order or check shall be sent to Douglas W. Hyman, Division of Enforcement, Securities and Exchange Commission, 175 West Jackson Boulevard, Suite 900, Chicago, IL 60604.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent and Stipulation of Defendant Richard Collins (Exhibit 1) be and hereby is, incorporated herein with the same force and effect as if fully set forth herein.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including, but not limited to, entertaining any applications for additional relief and implementing and enforcing this Order.


VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that nothing in this Order shall be construed to require Collins or others to abandon any constitutional or other legal privilege which they may have available to them.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order.

IT IS SO ORDERED.


Matthew F. Kennelly
United States District Court Judge

Dated: 19 August, 2002