

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

SECURITIES AND	§	
EXCHANGE COMMISSION,	§	
	§	
Plaintiff,	§	
	§	Civil Action No. 3:06-CV-1611-N
v.	§	
	§	
PETROSITE ASSETS, INC. <i>et al.</i> ,	§	
	§	
Defendants.	§	

FINAL JUDGMENT GRANTING PERMANENT INJUNCTION, AWARDING DISGORGEMENT AND CIVIL PENALTIES, AND GRANTING OTHER RELIEF AS TO DEFENDANTS PETROSITE ASSETS, INC., MASSET, INC., IVAN DEARAUJO, AND WESLEY A. HARBISON, JR.

This matter came before this Court on application of Plaintiff Securities and Exchange Commission (“SEC”), seeking entry of Final Judgment permanently enjoining Defendants PetroSite Assets, Inc. (“PetroSite”), Masset, Inc. (“Masset”), Ivan Dearaujo, and Wesley A. Harbison, Jr., and awarding disgorgement plus prejudgment interest and awarding civil penalties as to Defendants Dearaujo and Harbison for their failure to appear or otherwise defend in this cause.

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

1. On November 7, 2006, the Court entered Interlocutory Default Judgments (“Interlocutory Judgments”) against Defendants PetroSite, Masset, Dearaujo, and Harbison. In the Interlocutory Judgments, the Court held that Dearaujo and Harbison

must disgorge the funds and benefits each obtained illegally as a result of the violations alleged in the SEC's complaint, plus prejudgment interest on that amount. The Court further imposed third-tier civil penalties against Dearaujo and Harbison pursuant to Section 20(d) of the Securities Act of 1933, 15 U.S.C. § 77t(d), and Section 21(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u(d).

2. The Interlocutory Judgments state that the SEC may request by subsequent application that the Court quantify the appropriate amount of disgorgement plus prejudgment interest against Dearaujo and Harbison and award an appropriate third-tier penalty against them.

3. The SEC has filed Plaintiff's application in support of entry of final judgment against Defendants PetroSite, Masset, Dearaujo, and Harbison, and setting appropriate disgorgement amounts and civil penalties as to Dearaujo and Harbison, and simultaneously filed an appendix in support of the Application (all collectively referred to as the "Application").

4. The SEC is entitled to a final judgment permanently enjoining PetroSite, Masset, Dearaujo, and Harbison from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

5. The SEC is entitled to a final judgment permanently enjoining Harbison from violating 15(a)(1) of the of the Exchange Act, 15 U.S.C. § 78o(a)(1).

6. As set forth in the SEC's Application, the SEC is entitled to a final judgment requiring Dearaujo to pay disgorgement in the amount of \$2,770,585 plus prejudgment interest in the amount of \$366,332.

7. As set forth in the SEC's Application, the SEC is entitled to a final judgment requiring Harbison to pay disgorgement in the amount of \$52,472, plus prejudgment interest in the amount of \$6,938.

8. Based on the allegations in the SEC's complaint, which are deemed admitted as to Dearaujo, the SEC is entitled to a final judgment imposing third-tier civil penalties against Dearaujo, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77(w), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d)(6), in the amount of \$100,000.

9. Based on the allegations in the SEC's complaint, which are deemed admitted as to Harbison, the SEC is entitled to a final judgment imposing third-tier civil penalties against Harbison, pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77(w), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d)(6), in the amount of \$10,000.

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

THE COURT ORDERS:

I.

PetroSite, Masset, Dearaujo, and Harbison; their agents, servants, employees, attorneys, and all 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, are restrained and enjoined from:

A. Violating Section 17(a) of the Securities Act of 1933 (“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 instruments of transportation or communication in interstate commerce or by the use of the mails: (1) employing any device, scheme, or artifice to defraud; or (2) obtaining money or property by means of any untrue statement of material fact or any omission of 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 (3) 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 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), by directly or indirectly, in the use of any means or instruments 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 directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails or of any facility of any national securities exchange: (1) employing any device, scheme or artifice to defraud; (2) 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 (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

Harbison 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, directly or indirectly, from inducing or attempting to induce the purchase or sale of any security other than an exempted security (a) unless and until Harbison is registered with the SEC under section 15(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78o(b), or (b)(1), unless Harbison's business as a broker and/or dealer is exclusively intrastate and (2) unless Harbison, acting as a broker or dealer, does not make use of any facility of a national securities exchange.

III.

Dearaujo shall pay disgorgement in the amount of \$2,770,585 representing funds and benefits he obtained as a result of the violations alleged in the SEC's complaint, plus prejudgment interest in the amount \$366,332. Dearaujo shall receive appropriate credit for funds and assets recovered by the Receiver in this matter.

IV.

Harbison shall pay disgorgement in the amount of \$52,472 representing funds and benefits he obtained as a result of the violations alleged in the SEC's complaint, plus prejudgment interest in the amount \$6,938. Dearaujo and Harbison shall be jointly and

severally liable for this obligation. Dearaujo and Harbison shall receive appropriate credit for funds and assets recovered by the Receiver in this matter.

V.

Dearaujo shall pay third-tier civil penalties pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act in the amount of \$100,000.

VI.

Harbison shall pay third-tier civil penalties pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act in the amount of \$10,000.

VII.

Dearaujo and Harbison shall satisfy the obligations to pay disgorgement, plus prejudgment interest, set forth in Sections III and IV by U.S. Postal money order, certified check, bank cashier's check, or bank money order to Kelly Crawford, Receiver, together with a cover letter identifying themselves as parties in this action, setting forth the title and civil action number of this action and the name of this Court, and specifying that payment is made pursuant to this Final Judgment. Dearaujo and Harbison shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. By making these payments, Dearaujo and Harbison relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Dearaujo and Harbison.

VIII.

Dearaujo and Harbison shall satisfy the obligation to pay civil penalties, as set forth in Sections V and VI above, by U.S. Postal money order, certified check, bank

cashier's check, or bank money order to the Clerk of this Court, together with a cover letter identifying himself as a defendant in this action, setting forth the title and civil action number of this action and the name of this Court, and specifying that payment is made pursuant to this Final Judgment. Dearaujo and Harbison shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. By making this payment, Dearaujo and Harbison relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Dearaujo or Harbison.

IX.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The SEC may by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including

all tax purposes. To preserve the deterrent effect of the civil penalty, Dearaujo and Harbison shall not, in any Related Investor Action, benefit from any offset or reduction of any investor's claim by the amount of any Fair Fund distribution to such investor in this action that is proportionately attributable to the civil penalty paid by Dearaujo and Harbison ("Penalty Offset"). If the Court in any Related Investor Action grants such an offset or reduction, Dearaujo and Harbison shall, within 30 days after entry of a final order granting the offset or reduction, notify the SEC's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the SEC directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Dearaujo and Harbison by or on behalf of one or more investors based on substantially the same facts as alleged in the complaint in this action.

X.

Dearaujo and Harbison are permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act, 17 C.F.R. 240.3a51-1.

XI.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the SEC for additional

relief within the jurisdiction of this Court, including but not limited to, enforcement of the provisions of this Final Judgment.

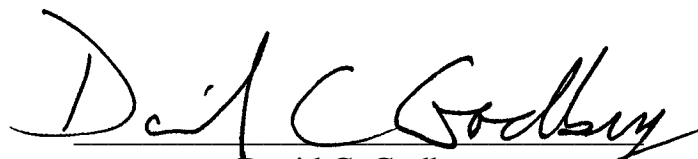
XII.

This Final Judgment may be served upon PetroSite, Masset, Dearaujo, and Harbison in person, by electronic mail or by certified mail, either by the United States Marshal, the Clerk of the Court, or any member of the staff of the Securities and Exchange Commission.

XIII.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment pursuant to Rules 54, 58, and 79 of the Federal Rules of Civil Procedure.

Signed December 18, 2008.


David C. Godbey
United States District Judge