

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

CASE NO. 8:02-CV-1613-T-26EAJ

FILED
MAR 17 2003
U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA, FLORIDA

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

THOMAS E. LOYD, INDIVIDUALLY AND)
d/b/a INVESTORS' ALERT,)
PAUL A. SPRAY, INDIVIDUALLY AND)
d/b/a OTC INVESTOR'S EDGE,)
MARC BARHOVICH,)
INVESTORS' ALERT, INC.,)
VANTAGE INTERNATIONAL)
CONSULTANTS, INC.,)
EQUITY ADVISORS, INC.,)
and OTC CONSULTING, INC.,)

Defendants.)

**ORDER OF DEFAULT PERMANENT INJUNCTION AND OTHER RELIEF
AS TO DEFENDANT PAUL A. SPRAY, INDIVIDUALLY AND
D/B/A OTC INVESTOR'S EDGE**

THIS MATTER is before the Court on the Securities and Exchange Commission's Motion for Entry of Default Permanent Injunction and Other Relief Against Defendant Paul A. Spray, individually and d/b/a OTC Investor's Edge ("Spray"). Having considered the motion and the entire record, the Court hereby enters the following Judgment against the Spray in this cause.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Court has personal jurisdiction over Spray and the subject matter of the action. Venue is proper in the Middle District of Florida.

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2. Spray was properly served with a summons and a copy of the Complaint pursuant to Rule 4 of the Federal Rules of Civil Procedure. Thus, Spray has proper notice of this action.

3. As of the date of this Order, Spray has failed to answer or otherwise file a responsive pleading to the Complaint as required by the Federal Rules of Civil Procedure.

4. The Clerk of the Court, as directed by the Court, entered a default against Spray on February 18, 2003. By virtue of the default and the failure to respond to the Complaint, Spray is deemed to have admitted the allegations of the Complaint and liability is established against him. *Buchanan v. Bowman*, 820 F.2d 359, 361 (11th Cir. 1987); *Miller v. Paradise of Port Richey, Inc.*, 75 F. Supp. 2d 1342, 1346 (M.D. Fla. 1999). Accordingly, the Court finds Spray committed the violations alleged in the Complaint.

5. Spray is not an infant or an incompetent person and has no guardian, committee, conservator or other such persons appearing on his behalf. Accordingly, it is:

I. JUDGMENT

ORDERED AND ADJUDGED that the Plaintiff's Motion for Entry of Default Permanent Injunction and Other Relief Against Defendant Paul A. Spray, Individually and d/b/a OTC Investor's Edge ("Spray") is **GRANTED**.

II. PERMANENT INJUNCTION

IT IS FURTHER ORDERED AND ADJUDGED that Spray, his directors, officers, agents, servants, employees, and attorneys, and all persons in active concert or participation with them, are restrained and enjoined from:

Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5

Directly or indirectly, by 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 securities and the sale, publication, distribution, transmission or other dissemination of any newsletter, tout sheet, bulletin, or other publication, knowingly or recklessly: (i) employing devices, schemes or artifices to defraud; (ii) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (iii) engaging in acts, practices and courses of business which have operated, are now operating or will operate as a fraud upon the purchasers of such securities 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, 17 C.F.R. § 240.10b-5 thereunder.

Section 21(d) of the Securities Exchange Act of 1934

IT IS FURTHER ORDERED AND ADJUDGED that pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), Spray is barred from participating in an offering of a penny stock, including acting as a promoter, finder, consultant, agent, or other person who engages in activities with a broker, dealer, or issuer for purposes of the issuance or trading in any penny stock; or inducing or attempting to induce the purchase or sale of any penny stock.

III. DISGORGEMENT

IT IS FURTHER ORDERED AND ADJUDGED that Spray shall pay disgorgement representing gains from the conduct alleged in the Complaint, plus pre-judgment interest. The Court shall determine the amount of disgorgement upon the Commission's motion to set disgorgement and its submission of supporting evidence.

IV. CIVIL MONEY PENALTIES

IT IS FURTHER ORDERED AND ADJUDGED that Spray shall pay a civil money penalty pursuant to Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), based upon the

conduct alleged in the Complaint. The Court shall determine the amount of the civil penalty upon the Commission's motion to set same.

V. RETENTION OF JURISDICTION

IT IS FURTHER ORDERED AND ADJUDGED that this Court shall retain jurisdiction over this matter and Spray in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED this 17 day of March, 2003 in Chambers in Thurco, Florida.


THE HONORABLE RICHARD LAZZARA
UNITED STATES DISTRICT JUDGE

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