

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

UNITED STATES SECURITIES )  
AND EXCHANGE COMMISSION, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
STEPHEN G. DONAHUE and )  
DONAHUE SECURITIES, INC., )  
 )  
Defendants. )  
\_\_\_\_\_ )

CASE NO. 1:01-cv-116  
  
Judge Sandra S. Beckwith

ORDER GRANTING PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S  
MOTION TO SET AMOUNT OF DISGORGEMENT, DISTRIBUTE RECEIVERSHIP  
ASSETS AND DISMISS CERTAIN CLAIMS

This matter is before the Court on Plaintiff United States Securities and Exchange Commission's ("Commission") Motion to Set Amount of Disgorgement, Distribute Receivership Assets and Dismiss Certain Claims. The Court, having considered the Plaintiff's Motion, being fully advised in the premises and having considered all of the evidence and the arguments of the parties, orders as follows:

**I.**

**IT IS HEREBY ORDERED** that Plaintiff Commission's Motion is GRANTED;

**II.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Stephen G. Donahue ("Donahue") is liable for \$4,894,108.77, representing all ill-gotten gains received by him as a result of the conduct alleged in the Commission's Complaint. The amounts previously

collected by the Receiver and the Securities Investor Protection Corporation (“SIPC”) Trustee in this matter shall fully satisfy Defendant Donahue’s disgorgement obligation;

**III.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Michael R. Barrett, Esq., the Receiver in this matter, shall distribute the remaining Receivership assets, after calculating his remaining fees and expenses, *pro rata* between the remaining unpaid investors in this matter and SIPC;

**IV.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Commission’s claim for civil penalties against Defendant Donahue is hereby dismissed;

**V.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Commission’s claims for a permanent injunction, disgorgement and civil penalties against Defendant Donahue Securities, Inc. (“DSI”) are hereby dismissed;

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, the purpose of implementing and carrying out the terms of all orders and decrees which may be entered herein, enforcement of this Order, and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

**VII.**

**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.**

s/Sandra S. Beckwith  
**SANDRA S. BECKWITH, Chief Judge**  
**UNITED STATES DISTRICT COURT**

**Dated: August 15, 2005** \_\_\_\_\_

Submitted by:

s/ Anne C. McKinley  
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