

ORIGINAL

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

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

AMERICAN AUTOMATION, INC., KENDYLL R.
HORTON, HAZEL A. HORTON, MERLE B.
GROSS, and JAYNE R. ROOSE,

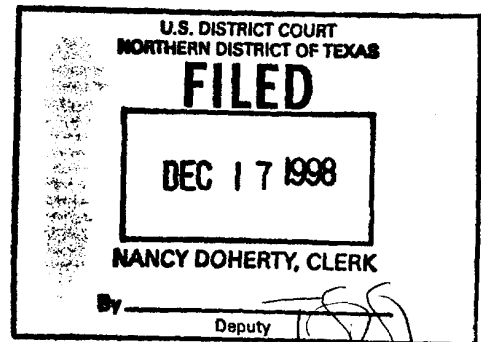
Defendants,

and

MUSCLEWEAR, INC., ANGEL WORLD INSURANCE
GROUP, INC., LORD & KENDYLL INVESTMENTS,
INC., FAMILY LIGHT CO., LLC, and DIRECTION
MANAGEMENT CO., LLC

Defendants Solely for Purposes
of Equitable Relief.

CIVIL ACTION NO.
3-98CV1596-D



FINAL JUDGMENT AS TO JAYNE R. ROOSE

This matter came before this Court on the application of plaintiff Securities and Exchange Commission ("Commission") by consent of defendant Jayne R. Roose ("Roose") for issuance of this Final Judgment in this action, providing the relief set out herein. Roose has provided this Court with a Stipulation and Consent ("Stipulation") in which, inter alia, she 1) acknowledges and admits the in personam jurisdiction of this Court over herself, and the subject matter jurisdiction of this Court over the cause of action claimed by the Commission herein; 2) waives entry of findings of fact and conclusions of law under rule 52, Fed. Rules Civ. Proc., 28 U.S.C.A., with respect to the

entry of this Order; and 3) consents, for purposes of this action only, to the entry of this Final Judgment, without admitting or denying any of the allegations of the Commission's Complaint in this matter and without admitting or denying any violation of the federal securities laws, except as to jurisdiction, as set forth herein.

It appears this Court has in personam jurisdiction over Roose, and subject matter jurisdiction over the cause of action claimed by the Commission; appears that no further notice or hearing is required prior to entry of this Final Judgment and there is no just reason for delay; and it appears the Court has been fully advised of the premises for entry of this Final Judgment.

IT IS THEREFORE ORDERED:

I.

Roose and her agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with her who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently restrained and enjoined, directly or indirectly, in connection with the purchase or sale of securities, from making use of any means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange:

- a.) to employ devices, schemes and artifices to defraud;
- b.) to make untrue statements of material facts and omit to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
- c.) to engage in acts, practices and courses of business which operate as a fraud and deceit upon purchasers, prospective purchasers and other persons,

in connection with the purchase and sale of securities.

II.

Roose and her agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with her 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, in the offer or sale of securities, from making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, directly or indirectly:

- a.) to employ devices, schemes or artifices to defraud;
- b.) to obtain money or property by means of untrue statements of material fact or omissions to state material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and
- c.) to engage in transactions, practices or courses of business which operate or would operate as a fraud or deceit.

III.

Roose and her agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with her 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:

- a.) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell any securities through the use or medium of any prospectus or otherwise, unless and until a registration

statement is in effect with the Commission as to such securities;

b.) carrying securities, or causing them to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or delivery after sale, unless and until a registration statement is in effect with the Commission as to such securities; or

c.) 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, through the use or medium of any prospectus or otherwise, securities unless a registration statement has been filed with the Commission as to such securities, or while a registration statement filed with the Commission as to such securities is 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 of 1933, as amended [15 U.S.C. § 77h];

provided, however, that nothing in this Part III shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act [15 U.S.C. § 77e].

IV.

Within 90 days of the entry of this Final Judgment, Roose shall pay disgorgement in the amount of \$61,206 to the Receiver Pendente Lite for American Automation, Inc. A copy of the check or other instrument used to make such payment shall be sent to Phillip W. Offill, Jr., Senior Trial Counsel, Securities and Exchange Commission, Fort Worth district Office, 801 Cherry Street, 19th Floor, Fort Worth, TX 76102. At such time as said monies are paid to the Receiver, Roose relinquishes all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to Roose or her

affiliates, heirs, successors, or assigns.

V.

A civil penalty in the amount of \$25,000 shall be imposed upon Roose pursuant to the provisions of Section 20(d) of the Securities Act of 1933,[15 U.S.C. §77t(d)]. Within 90 days of the entry of this Final Judgment, Roose shall pay a civil money penalty in the amount of \$25,000 to the United States Treasury. The payment shall be in the form of a cashiers check, certified check or postal money order made payable to the "Securities and Exchange Commission." The check or money order shall be hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and submitted under cover of a letter that identifies Roose, the caption and case number of this action, and the name of the Court. A copy of the cover letter and check shall be sent to Harold F. Degenhardt, District Administrator, Securities and Exchange Commission, Fort Worth district Office, 801 Cherry Street, 19th Floor, Fort Worth, TX 76102. At such time as said monies are paid to the Commission, Roose relinquishes all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to Roose or her affiliates, heirs, successors, or assigns.

VI.

The Consent filed herein be, and the same is hereby, incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

VII.

This Court shall retain jurisdiction over this matter and over defendant Roose for purposes of enforcing the terms of this Final Judgment and for all other purposes.


VIII.

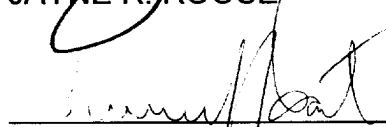
This Final Judgment may be served upon defendant Roose in person or by mail either by the United States marshal, by the Clerk of the Court or by any member of the staff of the Commission.

DATED and SIGNED this 17th day of December, 1998.


UNITED STATES DISTRICT JUDGE

Agreed as to Form and Substance:


JAYNE R. ROOSE


TERENCE J. HART
(Texas Bar No. 09150700)

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