

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

COMPUTONE CORPORATION
THOMAS J. ANDERSON,
GREGORY A. ALBA,
DONALD A. PEARCE,
DUNCAN E. HUME, and
BRIAN D. KRETSCHMAN,

Defendants.

CIVIL ACTION NO.
1:99-CV-2496-RLV

100-3-100
AH

FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF
AS TO DONALD A PEARCE

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint herein; defendant Donald A. Pearce ("Pearce"), having entered a general appearance, having admitted the in personam jurisdiction of this Court over him and the jurisdiction of this Court over the subject matter of the action; defendant Pearce having waived entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, and without admitting or denying any of the allegations of the Complaint, except as to jurisdiction and venue which he admits, and having consented to the entry of this Final Judgment of Permanent Injunction and Other Relief ("Final Judgment"); it appearing that this Court has jurisdiction over Pearce and the subject matter hereof; and the Court being fully advised in the premises,

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Pearce, and his agents, servants, employees, attorneys, and 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 enjoined from violating 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], directly or indirectly, by, through the use of any means or instrumentality of interstate commerce, or 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 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 connection with the purchase or sale of any security.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Pearce, and his agents, servants, employees, attorneys, and

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 enjoined from, directly or indirectly, violating, or inducing another person under his control to violate, Section 13(a) of the Exchange Act [15 U.S.C. 78m(a)] and Rules 12b-20, 13a-1 and 13a-13 thereunder [17 C.F.R. 240.12b-20, 240.13a-1 and 240.13a-13], by:

1. filing materially untrue, incorrect, false or misleading annual reports of any company with a security registered pursuant to Section 12 of the Exchange Act [15 U.S.C. 781] or any company which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. 78o(d)];
2. filing materially untrue, incorrect, false or misleading quarterly reports of any company with a security registered pursuant to Section 12 of the Exchange Act [15 U.S.C. 781] or any company which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. 78o(d)]; or
4. failing, in addition to information expressly required to be included in statements or reports filed with the Commission, to add such further material information, if any, as may be necessary to make required statements, in the light of the circumstances under which they are made, not misleading.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Pearce, and his agents, servants, employees, attorneys, and 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 enjoined from, directly or indirectly, violating or inducing another person under his control to violate, Sections 13(b)(2)(A), 13(b)(2)(B) and 13(b)(5) of the Exchange Act [15 U.S.C. 78m(b)(2)(A), 78m(b)(2)(B) and 78m(b)(5)], and Rules 13b2-1 and 13b2-2 thereunder [17 C.F.R. 240.13b2-1 and 240.13b2-2], by:

1. failing to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of any company which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. 781] or any company which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. 78o(d)]; or
2. failing to devise and maintain a system of internal accounting controls, of any company which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. 781] or any company which is required to file reports pursuant to Section 15(d) of

the Exchange Act [15 U.S.C. 78o(d)], sufficient to provide reasonable assurances that:

- (a) transactions are executed in accordance with management's general or specific authorization;
 - (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;
 - (c) access to assets is permitted only in accordance with management's general or specific authorization; or
 - (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
3. knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account of any company which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. 78l] or any company which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. 78o(d)];
4. falsifying or causing to be falsified, any book, record

or account of any company which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. 781] or any company which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. 78o(d)];

5. making or causing to be made materially false or misleading; or omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements are made, not misleading to an accountant in connection with (1) any audit or examination of the financial statements of an issuer required to be made pursuant to Section 13 [15 U.S.C. 78m] of the Exchange Act or (2) the preparation or filing of any document or report required to be filed with the Commission pursuant to Section 13 of the Exchange Act [15 U.S.C. 78m].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Pearce pay \$17,500, representing civil penalties pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. 78u(d)(3)]. That amount shall be paid within thirty (30) days from the date of the entry of this order by cashier's check, certified check, or postal money order made payable to the U.S. Treasury; hand-delivered or delivered by overnight delivery service to the Comptroller,

Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (d) submitted under a cover letter which identifies Pearce as a defendant in these proceedings and the civil action number of these proceedings, a copy of which cover letter and money order or check shall be sent to William P. Hicks, District Trial Counsel, Securities and Exchange Commission, 3475 Lenox Road, N.E., Suite 1000, Atlanta, Georgia 30326-1232, within 45 days from the entry of this Order.

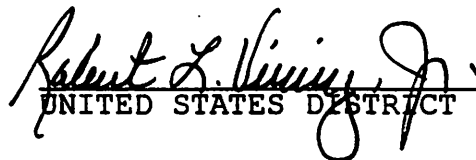
V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including enforcement and implementation of this Judgment.

VII.

There being no just reason for delay, the Clerk of the Court is hereby directed to enter this Final Judgment pursuant to Rules 54(b), 58 and 77(d) of the Federal Rules of Civil Procedure.

Ordered this 30th day of MARCH, 2000.


UNITED STATES DISTRICT JUDGE

JUDGMENT ENTERED:

Clerk