



consented to the entry of this Order of Permanent Injunction, and the Court, being fully advised in the premises, hereby states:

**I.**

**IT IS HEREBY ORDERED** that Defendants Pearson, GME, PE Trust, Paramount and Premiere, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in the offer or sale of any securities, 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;
- (2) obtaining money or property by means of 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 transaction, practice or course of business which operates or would operate as a fraud or deceit upon any purchasers or prospective purchasers of any security,

in violation of Sections 17(a)(1), 17(a)(2) or 17(a)(3) of the Securities Act of 1933 [15 U.S.C. §§77q(a)(1), (2) or (3)].

**II.**

**IT IS FURTHER ORDERED** that Defendants Pearson, GME, PE Trust, Paramount and Premiere, their officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of securities, by 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 violation of Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. 240.10b-5].

**III.**

**IT IS FURTHER ORDERED** that Defendants Pearson and GME, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise, and each of them, be and hereby are, permanently restrained and enjoined from,

directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper, bankers' acceptances, or commercial bills) unless they are registered in accordance with Section 15(b) of the Exchange Act [15 U.S.C. §78o(b)].

**IV.**

**IT IS FURTHER ORDERED** that Defendants Pearson and GME, their officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise, and each of them, be and hereby are, permanently restrained and enjoined from, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange of which they are a member by means of any act, practice or course of business which operates or would operate as a fraud or deceit upon any person, or by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, which statement or omission is made with knowledge or reasonable grounds to believe that it is untrue or misleading, in violation of Section 15(c)(1) of the Exchange Act [15 U.S.C. §78o(c)] and Rule 15c1-2 [17 C.F.R. §240.15c1-2] promulgated thereunder.

**V.**

**IT IS FURTHER ORDERED** that this Order shall not be construed to modify or effect any asset freeze previously ordered by the Court for Pearson, GME, PE Trust, Paramount and Premiere.

**VI.**

**IT IS FURTHER ORDERED** that Defendants Pearson, GME, PE Trust, Paramount and Premiere disgorge all ill-gotten gains received by them as a result of the conduct alleged in the Commission's Amended Complaint, plus prejudgment interest on those amounts. This Court will set the specific amount of disgorgement, and will determine whether to impose civil penalties on Pearson and GME, and in what amount, in a separate hearing upon due notice and motion by the Commission. At that hearing, the issues will be limited to determining (i) the amount of disgorgement to be ordered and (ii) whether civil penalties should be imposed on Pearson and GME, and the amount of any such penalties. At that hearing, Pearson and GME will be precluded from arguing that they did not violate the federal securities laws in the manner set out in the Commission's Amended Complaint. Nothing herein shall be construed to prevent and/or otherwise bar Pearson, GME, PE Trust, Paramount or Premiere from challenging the amount of disgorgement, or Pearson and GME from challenging whether civil penalties should be imposed against them. Nothing in this Order affects the Pearson Defendants: (i) testimonial obligations; or (ii) right to take legal positions in litigation in which the Commission is not a party.

VII.

**IT IS FURTHER ORDERED** that the Commission is expressly authorized to engage in continued discovery regarding any unresolved issue in the case with respect to the Pearson Defendants or any other defendant, which shall include, but not be limited to, discovery for purposes of determining the amount of ill-gotten gain and civil penalties, if any.

VIII.

**IT IS FURTHER ORDERED** that the attached Consent and Stipulation of the Pearson Defendants be, and hereby is, incorporated herein with the same force and effect as if fully set out.

IX.

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of this action for all purposes, including enforcement of this Order of Permanent Injunction.

X.

**IT IS FURTHER ORDERED** that, there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order of Permanent Injunction.

  
RONALD A. GUZMAN  
UNITED STATES DISTRICT JUDGE

Dated: July 31, 2000.