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FILED
U.S. DISTRICT COURT
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DISTRICT OF UTAH FEB 14 2001
BY: [Signature]
DEPUTY CLERK U.S. DISTRICT COURT

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

SECURITIES AND EXCHANGE	:	
COMMISSION	:	Civil No. 2:00CV757B
	:	
Plaintiff,	:	PERMANENT INJUNCTION
	:	OF DEFAULT AGAINST
vs.	:	TIMOTHY R. KRAFT
	:	
	:	
SOURCE ENERGY CORPORATION AND	:	
TIMOTHY R. KRAFT,	:	
	:	
Defendants.	:	

On this date came to be heard the Motion for Default Judgment against defendant Timothy R. Kraft ("Kraft"), filed by plaintiff Securities and Exchange Commission ("Commission"). Defendant Kraft has been duly and properly served with a Summons and Complaint in this proceeding, and the duly executed Return of Service of Summons and Complaint has been filed with the Court, as to Kraft. Defendant Kraft has failed to appear, answer or otherwise respond to the Complaint as of the date subscribed below, and the Commission has requested entry of default and entry of default judgment pursuant to Rule 55 of the Federal Rules of

Entered on docket
03/07/01 by:
[Signature]
Deputy Clerk

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Civil Procedure. The Court, having considered the pleadings on file herein, makes the following findings:

1. The Commission filed its Complaint against defendant Kraft on September 22, 2000. The Commission served Summons and Complaint upon Kraft on January 4, 2001 and on January 9, 2001; service returns were filed with the Court for defendant Kraft on January 18 and January 22, 2001.

2. The time period for responding to the Complaint has long-expired and Kraft is now in default. Following the Commission's application, the Clerk of the Court has entered the default against Kraft.

3. Kraft is not an infant or incompetent, and neither is entitled to relief under the Soldiers' and Sailors' Civil Relief Act of 1940.

4. The Court has personal jurisdiction over defendant and subject matter jurisdiction over this action. Venue is proper in this District.

5. The Commission is entitled to entry of a Permanent Injunction of Default Against Timothy R. Kraft, as requested in the Complaint, permanently restraining and enjoining Kraft from engaging in acts and practices which constitute and will constitute violations of Section 10(b) of the Securities Exchange Act of 1934, as amended [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. §§ 240.10b-5].

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Kraft, and his agents, servants, employees and attorneys, and all persons acting in concert or participation with him, who receive actual notice of this order by personal service or otherwise, and each of them, are permanently restrained from, directly or indirectly, singly or in concert, in connection with the purchase or sale of any security, by use of the means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (A) employing any device, scheme, or artifice to defraud;
- (B) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (C) 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 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that Timothy Kraft pay civil fines and/or penalties under the Securities Enforcement Remedies and Penny Stock Reform Act of 1990 as determined by further Motion of the plaintiff.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that this Court shall retain jurisdiction over the subject matter hereof for all purposes.

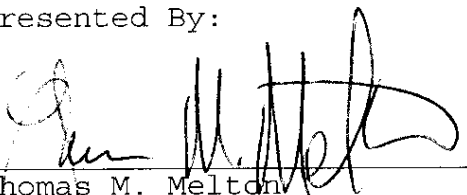
IV.

There being no just reason for delay, the Clerk is directed, pursuant to Rule 55 of the Federal Rules of Civil Procedure, to enter this Final Judgment by Default forthwith and without further notice.

SIGNED this 6th day of March, 2001.


United States District Court Judge

Presented By:


Thomas M. Melton
SECURITIES AND EXCHANGE COMMISSION

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United States District Court
for the
District of Utah
March 7, 2001

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:00-cv-00757

True and correct copies of the attached were either mailed or faxed by the clerk to the following:

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