Case 3:00-cv-01489 Document GIN IRIGINAL

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

NORTHERN DISTRICT OF TEXAS FILED

> JUL 1 6 2001 CLERK, U.S. D CT COURT

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

VS.

STADTT MEDIA, L.L.C., ANTHONY B. BENAVIDES, ROBERT M. MARTINEZ, JEFFERSON SANTOS,

Defendants,

and

LANA M. ST. MARTIN,

Defendant Solely for the Purposes of Equitable Relief. Civil Action No.

3-00CV1489-P

ENTERED ON DOCKET JUL / (0 2001 U.S. DISTRICT CLERK'S OFFICE

FINAL JUDGMENT AND ORDER OF PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF AS TO ANTHONY B. BENAVIDES

Plaintiff, Securities and Exchange Commission ("Commission") having filed its Complaint and there having been no trial of this matter; Defendant Anthony B. Benavides ("Benavides" or "Defendant") having been served personally with a Summons and the Complaint in this matter; having admitted in his Stipulation and Consent, filed herewith and incorporated herein, the *in personam* and subject matter jurisdiction of this Court over him and the subject matter of this action; having waived the entry of Findings of Fact and Conclusions of Law under Rule 52 of the Federal Rules of Civil Procedure with respect to the entry of this Final Judgment and Order of Permanent Injunction and Other Equitable Relief ("Final Judgment");

having agreed, for purposes of this action only, without admitting or denying any of the allegations of the Commission's Complaint, except as to in personam and subject matter jurisdiction, to the entry of this Final Judgment which: (a) permanently enjoins Benavides from violating Section 17(a) of the Securities Act of 1933, as amended ("Securities Act") [15 U.S.C. § 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934, as amended ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; (b) orders Defendant to disgorge his illegal profits and prejudgment thereon, but waives the payment of disgorgement and prejudgment interest thereon based upon Benavides' Sworn Statement of Financial Condition, dated December 8, 2000, and submitted to the Commission; and (c) does not impose a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §78u] against Benavides based on his demonstrated financial inability to pay. It further appearing that this Court has jurisdiction over the Defendant and the subject matter of this action; it appearing that no further notice of hearing for the entry of this Final Judgment need be given; the Court being fully advised in the premises, and no just reason for delay appearing:

I.

IT IS ORDERED, ADJUDGED AND DECREED that Defendant Benavides and his agents, servants, employees, attorneys, and all persons in active concert or participation with them 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, violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], directly or indirectly, by the use of any means or instrumentalities of interstate commerce, or of the

mails or of any facility of a national securities exchange, in connection with the purchase or sale of any security:

- (A) to employ any device, scheme or artifice to defraud,
- (B) to make any untrue statement of a material fact or omit 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) to engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Benavides and his agents, servants, employees, attorneys, and all persons in active concert or participation with them, 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 violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by the use of any means or instruments of transportation or communication in interstate commerce, or by the use of the mails, directly or indirectly, in the offer or sale of any security:

- (A) to employ any device, scheme or artifice to defraud, or
- (B) to obtain money or property by means of any untrue statement of a material fact or any omission 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) to engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser.

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representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering the Defendant to pay funds or assets, directing the forfeiture of any assets, and/or sanctions for contempt of the Final Judgment, and the Commission may also request additional discovery. The Defendant may not, by way of defense to such petition, challenge the validity of his Stipulation and Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, or assert that payment of a civil penalty should not be ordered.

V.

IT IS FURTHER ORDERED, ADJUDGED and DECREED that this Court shall retain jurisdiction of this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including, but not limited to, the relief requested by the Commission in its Complaint in this action.

VI.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment and Order of Permanent Injunction pursuant to Rule 54 of the Federal Rules of Civil Procedure.

Signed this 16h day of July

UNITED STATES DISTRICT JUDGE

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

JUL 1 3 2001

CLERK, U.S. DISTRICT COURT

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

Civil Action No.

3-00CV1489-P

VS.

STADTT MEDIA, L.L.C., ANTHONY B. BENAVIDES, ROBERT M. MARTINEZ, JEFFERSON SANTOS,

Defendants,

and

LANA M. ST. MARTIN,

Defendant Solely for the Purposes of Equitable Relief.

STIPULATION AND CONSENT OF ANTHONY B. BENAVIDES

Defendant Anthony B. Benavides ("Benavides" or "Defendant") stipulates, consents, and agrees as follows:

- 1. Benavides admits the jurisdiction of this Court over him and over the subject matter of this action.
- 2. Benavides waives the entry of Findings of Fact and Conclusions of Law pursuant to Rule 52 of the Federal Rules of Civil Procedure.
- 3. Benavides acknowledges that he has entered into this Stipulation and Consent ("Consent") voluntarily, and states that no threats, promises of immunity, or assurances have been

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made by the Plaintiff, Securities and Exchange Commission ("Commission"), or any of its members, officers, agents, or representatives to induce the entry of this Consent.

- 4. Benavides consents, without admitting or denying any of the allegations of the Complaint, except as to *in personam* and subject matter jurisdiction, which he admits, to the entry of the Final Judgment and Order of Permanent Injunction and Other Equitable Relief ("Final Judgment") in the form submitted herewith, which: (a) permanently enjoins Benavides from violating Section 17(a) of the Securities Act of 1933, as amended ("Securities Act") [15 U.S.C. § 77q(a)]; Section 10(b) of the Securities Exchange Act of 1934, as amended ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]; (b) orders Benavides to disgorge \$704,565 plus prejudgment interest thereon in the amount of \$15,931, provided, however, that all such disgorgement and prejudgment interest are waived with respect to Defendant Benavides based upon his Sworn Statement of Financial Condition, dated December 1, 2000, and submitted to the Commission; and (c) does not impose a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] against Benavides based on his demonstrated financial inability to pay.
- 5. Benavides acknowledges that the Court is not imposing a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] based upon the accuracy and completeness of Defendant's sworn representations to the Commission concerning his assets, income, liabilities, and net worth, as described in his Sworn Statement of Financial Condition dated December 1, 2000. Benavides further consents that if at any time following the entry of the Final Judgment the Commission obtains information indicating that the Benavides' representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate or incomplete in STIPULATION & CONSENT OF ANTHONY B. BENAVIDES

any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to the Defendant, petition the Court for an order requiring the Defendant to pay a civil penalty, disgorgement, plus prejudgment interest, and post-judgment interest thereon. In connection with any such petition, the only issues shall be whether the financial information provided by the Benavides was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In any such petition, the Commission may move the Court to consider all available remedies, including, but not limited to, ordering Benavides to turn over funds or assets, directing the forfeiture of any assets, or sanctions for contempt of the Court's Order, and the Commission may also request additional discovery. Benavides may not, by way of defense to such petition, challenge the validity of this Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, or assert that a civil penalty or disgorgement should not be imposed.

- 6. Benavides waives any right he may have to appeal any order, judgment or decree of this Court entered in this action.
- 7. Benavides stipulates that the Final Judgment may be presented to the Court by the Commission without further notice to him.
- 8. Benavides agrees to execute and return to the Commission an Acknowledgment of Service upon receipt of the Final Judgment entered by the Court.
- 9. Benavides admits that he has been advised and understands that the Court may adjudge him to be in civil or criminal contempt if he commits any violation of the Final Judgment entered pursuant to this Consent.

- 10. Benavides agrees that this Consent shall be filed with the Final Judgment and is incorporated into the Final Judgment with the same force and effect as if fully set forth therein.
- 11. Benavides agrees that he will not oppose the enforcement of the Final Judgment on the ground that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objections based thereon.
- 12. Consistent with the provisions of 17 C.F.R. § 202.5(f), Benavides waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition and payment of any remedy or civil penalty herein.
- 13. Benavides understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the Complaint or order for proceedings" (17 C.F.R. §202.5(e)). In compliance with this policy, Benavides agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaint or creating the impression that the Complaint is without factual basis. If Benavides breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and to restore this action to its active docket. Nothing in this provision affects Benavides': (i) testimonial obligations or (ii) rights to take legal positions in litigation in which the Commission is not a party.
- 14. Benavides stipulates that the Court shall retain jurisdiction over him and over the subject matter of this action in order to implement and carry out the terms of the Final Judgment

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and all other orders and decrees that have been or may be entered herein and to entertain any suitable application for modification, dissolution, or additional relief within the jurisdiction of the Court.

SUBSCRIBED AND SWORN TO BEFORE ME this grant day of December 2000, for which witness my hand and affect to the to certify which witness my hand and official seal.

Date my commission expires: Tune 15, 204

