

CIVIL

U.S. DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

FILED

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NANCY DOHERTY, CLERK

Deputy

Civil Action No.
4:99-CV-0978-Y

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

CORNERSTONE PRODIGY GROUP, INC.;
GARY D. REEDER;
SANDRA M. REEDER,

Defendants,

and

EXECUTIVE NETPROFITS, INC.,

Defendant Solely for the Purpose
of Equitable Relief.

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
EQUITABLE RELIEF AGAINST CORNERSTONE PRODIGY GROUP, INC.**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint in this matter and defendant Cornerstone Prodigy Group, Inc. ("Cornerstone"), through his Stipulation and Consent ("Consent"), having admitted service of the Complaint and waived service of the summons, having admitted the jurisdiction of this Court over Cornerstone, having waived the entry of findings of facts and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, having entered into its Consent voluntarily, no threats, promises of immunity or assurances having been made by the Commission or by any of its members, officers, agents or representatives to induce Cornerstone to enter into its Consent, having consented, without admitting or denying any of the allegations in the Commission's Complaint, except as to jurisdiction as set forth above, to entry without further notice of this Final Judgment of Permanent Injunction and

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Other Equitable Relief ("Final Judgment") enjoining defendant Cornerstone from engaging in transactions, acts, practices and courses of business which constitute and would constitute violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, [15 U.S.C. §§ 77e(a), 77e(c) and 77(q)(a)], Section 10(b) of the Securities Exchange Act of 1934, [15 U.S.C. §78j(b)], and Rule 10b-5 thereunder [17 C.F.R. §240.10b-5]; and it further appearing that this Court has jurisdiction over defendant Cornerstone and over the subject matter of this action and that no further notice of hearing for the entry of this Final Judgment need be given; and the Court being fully advised in the premises:

I.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that defendant Cornerstone and its agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with it 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, in the form of investment contracts, notes or any other security, 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 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 the 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 Comerstone and its agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with it 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, in the form of investment contracts, notes or any other security, 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 any device, scheme or artifice to defraud;
- (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 the 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 any purchaser.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Comerstone and its agents, servants, employees, attorneys-in-fact and all other persons in active concert or participation with it 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 from, in the absence of any applicable exemption, directly or indirectly:

- (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any

issuer, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect as to such securities;

(b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, the securities of any issuer, unless and until a registration statement is in effect 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 the securities of any issuer, unless and until a registration statement has been filed with the Commission as to such securities, or while a registration statement 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 [15 U.S.C. § 77h].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that 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.

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.

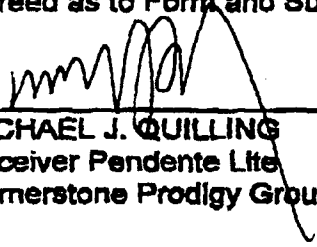
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Final Judgment may be served upon defendant Cornerstone in person or by mail either by the United States marshal, by the Clerk of the Court or by any member of the staff of the Commission.

DATED and SIGNED this 14th day of April, 2000.



TERRY R. MEANS
UNITED STATES DISTRICT JUDGE

Agreed as to Form and Substance:



MICHAEL J. QUILLING
Receiver Pendente Lite
Cornerstone Prodigy Group, Inc.

SUBSCRIBED AND SWORN TO BEFORE ME this 3rd day of

March, 2000 to
certify which witness my hand and official seal.

Notary Public

Lisa D. Castle

My commission expires: 6-30-2001

