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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF MARION

8	STATE OF OREGON, ex rel. KERRY)	
	BARNETT, Director of the)	No. 93C 11721
9	Department of Business and)	
	Consumer Affairs, and THEODORE)	
10	R. KULONGOSKI, Attorney General,)	
)	
11	Plaintiffs,)	FINAL JUDGMENT
)	MONEY JUDGMENT AND
12	v.)	PERMANENT INJUNCTION
)	
13	LES KRUSE, an individual, JAMES B.)	
	GILMORE, an individual, GERRICK)	
14	ROD POWELL, an individual and)	
	MORGAN INVESTMENT POOL, INC.,)	
15	a Nevada corporation,)	
)	
16	Defendants.)	

17 This matter having come before the court upon Motion of
18 Plaintiff, State of Oregon, the court being fully advised in the
19 premises and good cause appearing therein, THE COURT FINDS:

20 1. On the 22nd day of June, 1993, defendant LES KRUSE, was
21 served by substitute service with a summons and certified true copy
22 of the complaint at the address where he maintains his residence;
23 873 W. 17th, Coquille, Oregon, by serving the same upon his wife,
24 Aretta Mary Kruse, at that address. KRUSE has made several
25 appearances before the court, but has otherwise failed to file an
26 answer or other responsive pleading.

1 2. On the 13th day of March, 1994, defendant JAMES B.
2 GILMORE, was served with a summons and certified true copy of the
3 complaint in this case, at the address where he maintains his
4 residence at 115 Ridge Point Close, Roswell, Georgia, by serving
5 the same upon a blond male with a mustache who was standing in
6 front of Mrs. Gilmore at that address. A certified true copy of
7 the summons and complaint in this case was mailed to GILMORE on
8 July 25, 1994, at his aforementioned residence by regular mail.

9 3. On February 8th, 15th, 22nd and March 1st, 1994,
10 defendant GERRICK ROD POWELL, was served by publication in the
11 Daily Journal of Commerce, a newspaper of general circulation in
12 the counties of Clackamas, Multnomah and Washington pursuant to
13 Motion and Order of the court.

14 4. On June 17, 1993, defendant MORGAN INVESTMENT POOL, INC.,
15 was served a summons and certified true copy of the complaint and
16 all other pleadings filed in the matter by Federal Express delivery
17 upon defendants attorney, William Larson, who was authorized to
18 accept service on behalf of the defendant.

19 5. None of the named defendants above have filed an answer
20 or other responsive pleading within the time prescribed by law.

21 6. On or about September 12, 1994, plaintiff moved for entry
22 of default as to defendants JAMES B. GILMORE and GERRICK ROD
23 POWELL. On September 14, 1994, the court entered the defaults of
24 each of the defendants, JAMES B. GILMORE and GERRICK ROD POWELL.

25 7. On or about March 6, 1995, plaintiff moved for entry of
26 default as to defendants LES KRUSE and MORGAN INVESTMENT POOL, INC.

1 On March 7, 1995, the court entered the defaults of each of the
2 defendants, LES KRUSE and MORGAN INVESTMENT POOL, INC.

3 8. KRUSE, POWELL and GILMORE, individually and through MORGAN
4 INVESTMENT POOL, INC., defrauded and attempted to defraud citizens
5 of the State of Oregon. In addition, they made over 100 unlicensed
6 offers to sell and sold unregistered securities and also made over
7 100 fraudulent misrepresentations and omissions in connection with
8 these offers.

9 THE COURT ORDERS ENTRY OF JUDGMENTS against the defendants;
10 LES KRUSE, JAMES B. GILMORE, GERRICK ROD POWELL and MORGAN
11 INVESTMENT POOL, INC., and each of them, and in favor of plaintiff
12 State of Oregon as follows:

13 1.

14 MONEY JUDGMENT

15 Judgment shall be entered for the plaintiff and against
16 defendants LES KRUSE and MORGAN INVESTMENT POOL, INC. JAMES B.
17 GILMORE and GERRICK ROD POWELL, jointly and severally, in the
18 following amounts:

19 (1) \$15,000.00 for reasonable attorney fees and investigative
20 costs pursuant to ORS 59.255(1);

21 (2) On Count I, a civil penalty of \$5,000 for each offer to
22 sell or sale of a security by an unlicensed sales person or
23 broker/dealer in violation of ORS 59.165, for a total of
24 \$500,000.00;

25 (3) On Count II, a civil penalty of \$5,000.00 for each offer
26 to sell or sale of an unregistered security in violation of

1 ORS 59.055, for a total of \$500,000.00; and,

2 (4) On Count III, a civil penalty of \$5,000.00 for each use
3 of an untrue statement of material fact in connection with an
4 offer to sell or sale of a security in violation of ORS 59.135
5 to Oregon consumers, for a total of \$500,000.00.

6 (5) Awarding restitution pursuant to ORS 59.255 to all
7 persons injured by the acts and practices of defendants KRUSE,
8 GILMORE, POWELL, and MORGAN, including but not limited to full
9 repayment of the principal and interest to all investors to
10 whom defendants sold securities identified in the complaint,
11 and all others similarly situated.

12 Simple interest shall accrue on unpaid portions of this judgment at
13 the rate of 9% per annum from the date of judgment forward until
14 paid in full.

15 2.

16 PERMANENT INJUNCTION

17 IT IS FURTHER ORDERED that defendants KRUSE, GILMORE, POWELL,
18 and MORGAN, pursuant to ORS 59.255 are permanently restrained,
19 enjoined, barred and prohibited from offering for sale or selling
20 securities, or offering to purchase or purchasing any security in
21 the State of Oregon, or effecting transactions in securities in
22 Oregon, whether the securities are registered or exempt from
23 registration.

24 3.

25 All injunctive relief ordered herein shall apply to KRUSE,
26 GILMORE, POWELL and MORGAN, individually or through any present or

1 future corporation or other organization or entity whose acts,
2 practices or policies are directed, formulated or controlled by
3 them or in which they are a principal or own any interest or are
4 employed. This injunction shall apply to KRUSE, GILMORE, POWELL
5 and MORGAN, their successors and assigns, agents, representatives
6 and employees, directly or through any affiliate, corporation,
7 subsidiary, division or other related entity.

8 4.

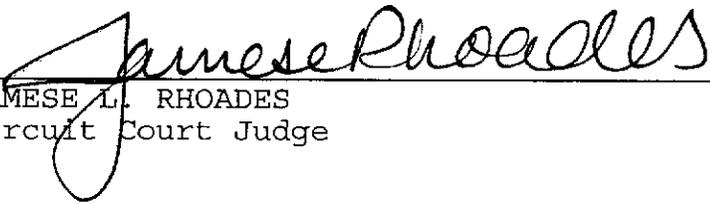
9 The court shall maintain jurisdiction over this case for the
10 purposes of enforcing the injunctive relief contained herein.

11 5.

12 MONEY JUDGMENT

- 13 1) Judgment Creditor: State of Oregon
14 2) Judgment Creditor's Attorney: Eugene F. Ebersole, for
State of Oregon
15 3) Judgment Debtors: LES KRUSE and MORGAN INVESTMENT
16 POOL, INC. JAMES B. GILMORE and
GERRICK ROD POWELL
17 4) Amount of Judgment: Attorney Fees - \$ 15,000.00
18 Civil Penalties - \$1,500,000.00
19 5) Restitution: In an amount to be determined
20 6) Interest: Simple interest shall accrue at the rate of 9%
per annum from the date of the judgment.

21 DATED this 7th day of April, 1995.

22
23
24 
JAMESE L. RHOADES
Circuit Court Judge

25 Prepared by:
26 Eugene F. Ebersole, OSB 81475
Assistant Attorney General