

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

U.S. DISTRICT COURT  
FILED  
OCT. 2, 1969  
S.D. of N.Y.

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SECURITIES AND EXCHANGE COMMISSION, :  
Plaintiff, :  
-against- :  
TEXAS GULF SULPHUR COMPANY, et al., :  
Defendants. :  
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65 Civ. 1182  
JUDGMENT

Upon the annexed stipulation of plaintiff Securities and Exchange Commission and defendants Francis G. Coates and Texas Gulf Sulphur Company (Texas Gulf) dated September 23, 1969, and upon the complaint herein, the answer of defendant Coates and all other papers and prior proceedings herein, and it appearing satisfactorily that this Court has jurisdiction over the subject matter and over defendant Coates and there being no just reason for delay in the entry of this Judgment.

IT IS HEREBY ORDERED AND ADJUDGED that:

(1) defendant Coates, without admitting any of the averments of the complaint, shall pay to Texas Gulf on or before October 15, 1969, subject to the provisions of the annexed stipulation, the sum of \$26,250, of which

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(a) \$16,575 represents the difference between the price paid by Coates for 2,000 shares of stock of Texas Gulf on April 16, 1964, and the price at which 2,000 shares of said stock could have been purchased on April 17, 1964; and

(b) \$9,675 represents the difference between the price paid by H. Fred Haemisegger and customers of H. Fred Haemisegger for 1,500 shares of stock of Texas Gulf on April 16, 1964, and the price at which said stock could have been purchased on April 17, 1964;

(2) the amount hereby directed to be paid by Coates to Texas Gulf shall be held by Texas Gulf subject to the following conditions:

(a) during the period of three years from the date of entry of this judgment, said amount shall be held in escrow, in an interest bearing account, subject to disposition in such manner as this Court may direct upon application by the Securities and Exchange Commission;

(b) after said period of three years, if this Court shall have made no direction as to the disposition of said amount or if it shall have directed the payment of only a portion thereof, said amount or the remaining balance thereof shall become the property of Texas Gulf, except that if Coates or his estate shall incur liability to any person or entity by reason of his purchases of Texas Gulf stock on April 16, 1964, or the purchases of said stock on that date by H. Fred Haemisegger and his customers, as a result of a judgment in or settlement of any other action commenced prior to the date hereof, Texas Gulf will, at the request of Coates or his estate, apply any or all of the remaining balance of said

amount toward the satisfaction of such liability;  
and

(3) this judgment be entered forthwith, terminating the above-entitled action as to defendant Coates.

~~September~~ <sup>OCTOBER</sup> 2, 1969.

1s/ Dudley B. Borsal  
United States District Judge

JUDGMENT ENTERED OCT. 2, 1969

1s/ John Livingston  
CLERK