

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**EDWARD S. DIGGES, JR.; NEXSTAR
COMMUNICATIONS, LLC;
TMT EQUIPMENT COMPANY, LLC;
TMT MANAGEMENT GROUP, LLC;
POSA, LLC; POSA TMT, LLC;
TELEVEST COMMUNICATIONS, LLC;
TELEVEST GROUP, LLC; and SPIN
DRIFT, LLC,**

Defendants.

**CIVIL ACTION FILE
NO.
6:06-cv-137-Orl- 19KRS**

**ORDER GRANTING PERMANENT INJUNCTION,
FREEZING ASSETS, APPOINTING A RECEIVER AND ORDERING
OTHER ANCILLARY RELIEF**

The Plaintiff, Securities and Exchange Commission (“Commission”) having filed a Complaint and Defendants Edward S. Digges, Jr.; Nexstar Communications, LLC; TMT Equipment Company, LLC; TMT Management Group, LLC; POSA, LLC; POSA TMT, LLC; Televest Communications, LLC; Televest Group, LLC;

and Spin Drift, LLC, (collectively “Defendants”) having entered general appearances; consented to the Court’s jurisdiction over Defendants and the subject matter of this action; consented to entry of this Order Granting Permanent Injunction, Freezing Assets, Appointing a Receiver and Ordering Other Ancillary Relief (“Order”) without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law with respect to this Order; and waived any right to appeal from this Order :

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendants Edward S. Digges, Jr., Nexstar Communications, LLC, TMT Equipment Company, LLC, TMT Management Group, LLC, POSA, LLC, and POSA TMT, LLC, their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise are permanently restrained and enjoined from directly or indirectly,

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell securities, through the use or medium of a prospectus or otherwise;

- (b) carrying securities or causing such securities 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; and
- (c) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy securities, through the use or medium of any prospectus or otherwise, without a registration statement having been filed with the Commission as to such securities, in violation of Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”)[15 U.S.C. §§ 77e(a) and 77e(c)].

II.

IT IS FURTHER ORDERED that defendants Edward S. Digges, Jr., Nexstar Communications, LLC, TMT Equipment Company, LLC, TMT Management Group, LLC, POSA, LLC, and POSA TMT, LLC, and their agents, servants, employees, and attorneys, and those 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 enjoined and restrained from violating, directly or indirectly, Section 17(a) of the Securities Act

[15 U.S.C. § 77q(a)], by, through the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- a. employing any device, scheme or artifice to defraud;
- b. obtaining 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. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser, in the offer or sale of any security.

III.

IT IS FURTHER ORDERED that Defendants, and their agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating, directly or indirectly, or aiding and abetting violations of, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], by, through the use of any 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 connection with the purchase or sale of any security.

IV.

IT IS FURTHER ORDERED that, pending further order of the Court, all assets of, or under the control of, Defendants, are frozen, except as otherwise specified herein. Defendants, their officers, agents, servants, employees, attorneys, and all persons in active concert or participation with them, except any trustee, receiver or special fiscal agent appointed by this Court, be, and hereby are, restrained from, directly and indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of or withdrawing any assets and property owned by, controlled by, or in the possession of said defendant. This Court further enjoins any disbursement by Defendants, their agents, representatives, employees and officers and all persons acting in concert or

participation with them, whatever business names they may operate under, of any proceeds derived from the securities offerings alleged in the Commission's complaint. The freeze shall include but not be limited to those funds located in any bank accounts, brokerage accounts, or any other accounts or property of Defendants.

V.

IT IS FURTHER ORDERED that the Commission may take expedited discovery as follows:

A. The Commission may take depositions upon oral examination subject to ten days notice prior to expiration of 30 days after service of the Summons and Complaint, pursuant to Rule 30(a) of the Federal Rules of Civil Procedure; and

B. Pursuant to Rule 34 of the Federal Rules of Civil Procedure, upon request of the Commission, Defendants shall produce all documents within ten days of service of such request;

All written responses to the Commission's requests for discovery under the Federal Rules of Civil Procedure shall be delivered to the Commission at 3475 Lenox Road N.E., Suite 1000, Atlanta, Georgia 30326-1232, or such other place as counsel for the Commission may direct, by the most expeditious means available.

VI.

Upon motion of the Commission, the Court shall determine whether it is appropriate to order disgorgement of ill-gotten gains and/or 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 Defendants and, if so, the amount(s) of the disgorgement and/or civil penalty. If disgorgement is ordered, Defendants shall pay prejudgment interest thereon, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2).

VII.

IT IS FURTHER ORDERED that James D. Silver, Esquire, be and hereby is appointed as Receiver, without bond, for the estates of Nexstar Communications, LLC; TMT Equipment Company, LLC; TMT Management Group, LLC; POSA, LLC; POSA TMT, LLC; Televest Communications, LLC; Televest Group, LLC; and Spin Drift, LLC, unless and until the Court orders otherwise. The estates for which Mr. Silver is hereby appointed Receiver are hereinafter referred to as the "Receiver Estate." The Receiver Estate shall include the above-named defendants and any entities owned by them.

VIII.

IT IS FURTHER ORDERED that the Receiver shall have and possess all powers and rights to efficiently administer and manage the Receiver Estate, including but not limited to the power:

- A. to take custody, control and possession of all the funds, property, premises, leases, and other assets of or in the possession or under the direct or indirect control of the Receiver Estate, to manage, control, operate and maintain the Receiver Estate, to use income, earnings, rents and profits of the Receiver Estate, with full power to sue for and collect, recover, receive and take into possession all goods, chattels, rights, credits, monies, effects, lands, books and records of accounts and other papers;
- B. to sell, rent, lease or otherwise hypothecate or dispose of the assets of the Receiver Estate;
- C. to pursue, resist and defend all suits, actions, claims and demands which may now be pending or which may be brought by or asserted against the Receiver Estate;
- D. to make such payments and disbursements from the funds so taken into his custody, control and possession or thereafter received, and to incur

such expenses as may be necessary or advisable in the ordinary course of business in discharging the duties of Receiver;

- E. to open bank accounts in the name of the Receiver on behalf of the Receiver Estate;
- F. to engage and employ others (without Court approval), including but not limited to consultants, attorneys, accountants, experts and employees of a firm owned by the Receiver, to assist him in his duties, except that any payment to others for their services shall be subject to Court approval;
- G. to take any action which could be taken by the officers, directors, partners and trustees of the Receiver Estate;
- H. to suspend, terminate or grant a leave of absence to any employees of the Receiver Estate; and
- I. to take such other action as may be approved by this Court.

IX.

IT IS FURTHER ORDERED that no person holding or claiming any position of any sort with the Receiver Estate shall possess any authority to act by or on behalf of any of the Receiver Estate, except as authorized by the Receiver. No shareholders, officers, directors, partners or trustees of the corporations or other

entities that make up the Receiver Estate shall exercise any of their rights or powers with respect to the Receiver Estate until further order of the Court. With respect to the asset freeze set forth herein, the Receiver shall be authorized, but not required, to administer, manage, and direct the marshaling, disbursement and/or transfer of monies or other assets held by third parties that are subject to the freeze. The Receiver may, in the reasonable exercise of his discretion, authorize the release, use or segregation of proceeds held by third parties if he believes such action is necessary to preserve the Receiver Estate.

X.

IT IS FURTHER ORDERED that all persons receiving notice of this order by personal service or otherwise, are hereby restrained and enjoined from disposing, transferring, exchanging, assigning or in any way conveying any property or assets of the Receiver Estate and from the transaction of any business of the Receiver Estate except with the approval of the Receiver.

XI.

IT IS FURTHER ORDERED that, all persons acting for or on behalf of the Receiver Estate, and all persons receiving notice of this order by personal service or otherwise, having possession of the property, business, books, records, accounts or assets of the Receiver Estate are hereby directed to deliver the same to the Receiver,

his agents and/or employees.

XII.

IT IS FURTHER ORDERED that the Defendants, their agents, servants, employees, nominees, attorneys and entities under their direct or indirect control shall cooperate with and assist the Receiver and shall take no action, directly or indirectly, to hinder, obstruct, or otherwise interfere with the Receiver, in the performance of the Receiver's duties. This section shall not be construed to waive any privileges of any person, Constitutional or otherwise.

XIII.

IT IS FURTHER ORDERED that any brokerage institution, financial institution, bank, savings and loan, mutual fund, or any other person, partnership, or corporation maintaining or having custody or control of any brokerage or deposit account or other assets of any of the Receiver Estate or under their control, and that receives actual notice of this order by personal service, facsimile transmission or otherwise shall, within five (5) business days of receipt of that notice, file with the Court and serve on the Receiver and counsel for the Commission a certified statement setting forth, with respect to each such account or other asset, the balance in the account or description of the assets as of the close of business on the date of receipt of the notice.

XIV.

IT IS FURTHER ORDERED that the Receiver shall perform an accounting of the defendants' offering of securities offerings as outlined in the Commission's complaint including but not limited to the defendants' solicitation, receipt, disposition and use of the proceeds from such offerings.

XV.

IT IS FURTHER ORDERED that the Receiver shall have the power to compel, including by subpoena, the appearance and testimony of all persons and the production of the originals of any records, of any sort whatsoever, within the possession, custody or control of any person, in performing the Receiver's duties hereunder. The Receiver's authority under this paragraph shall not be construed to require the waiver by any person of any validly asserted privilege.

XVI.

IT IS FURTHER ORDERED that, on fifteen (15) days written notice from the Receiver, Defendants shall produce to the Receiver the originals of any records in his custody, possession or control relating to the financial affairs, from January 1, 2003 through the present, of Defendants Nexstar Communications, LLC; TMT Equipment Company, LLC; TMT Management Group, LLC; POSA, LLC; POSA

TMT, LLC; Televest Communications, LLC; Televest Group, LLC; and Spin Drift, LLC.

XVII.

IT IS FURTHER ORDERED that the Receiver may investigate in connection with discovering additional information as it relates to activities of the Receiver Estate. The Receiver shall have the authority to investigate regarding such related parties and employees prior to filing any litigation, and shall have the express authority to order consumer reports in the course of any such investigation.

XVIII.

IT IS FURTHER ORDERED that the Receiver and any person engaged or employed by the Receiver, are entitled to reasonable compensation from the assets of the Receiver Estate, subject to the prior approval of the Court.

XIX.

IT IS FURTHER ORDERED that the Receiver shall be empowered, but is not required, to file voluntary petitions for relief under Title 11 of the United States Code (the Bankruptcy Code) for the Receiver Estate. If a bankruptcy petition is filed, the Receiver shall become, and shall be empowered to operate the Receiver Estate as a debtor in possession. The Receiver shall have all of the powers and duties as provided a debtor in possession under the Bankruptcy Code to the

exclusion of any other person or entity.

XX.

IT IS FURTHER ORDERED that the Receiver, should the Receiver elect to file petitions under Title 11 of the United States Code for any of the Receiver Estate, shall have 15 days from the date of such filing to file with the Bankruptcy Court any lists or schedules required to be filed with such petitions, this Court recognizing that the Receiver will require time to assemble such data for filing.

XXI.

IT IS FURTHER ORDERED that except by leave of this Court all creditors and other persons seeking money damages or other relief from the Receiver Estate and all others acting on behalf of any such creditors and other persons, including sheriffs, marshals, and all officers and deputies, and their respective attorneys, servants, agents and employees, are, until further order of this Court, hereby stayed and restrained from doing anything to interfere with the possession, recovery or management by the Receiver of the property and assets owned, controlled, belonging to, or in the possession of the Receiver Estate, or to interfere with the Receiver in any manner during the pendency of this proceeding.

XXII.

IT IS FURTHER ORDERED that the Receiver is authorized to communicate

with all such persons as he deems appropriate to inform them of the status of this matter and the financial condition of the Receiver Estate.

XXIII.

IT IS FURTHER ORDERED that the Receiver is authorized to record this Order with government offices and to serve this Order on any person as the Receiver deems appropriate in furtherance of the Receiver's responsibilities in this matter.

XXIV.

IT IS FURTHER ORDERED that the Receiver shall promptly notify the Court and counsel for the Commission of any failure or apparent failure of the defendants to comply in any way with the terms of this Order.

XXV.

IT IS FURTHER ORDERED that, except for an act of gross negligence or intentional misconduct, the Receiver and all persons engaged or employed by the Receiver shall not be liable for any loss or damage incurred by the defendants, or any other person, by reason of any act performed or omitted to be performed by them in connection with the discharge of their duties and responsibilities in this matter.

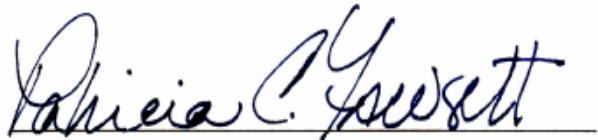
XVI.

IT IS FURTHER ORDERED that the Defendants' Consent are incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

XXVII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for all purposes.

Dated: _February 14, _____, 2006 at 4:43 p.m.

A handwritten signature in cursive script, reading "Patricia C. Fawsett", written over a horizontal line.

PATRICIA C. FAWSETT, CHIEF JUDGE
UNITED STATES DISTRICT COURT