

ORIGINAL

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ENTERED

DEC 22 2000

CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION DEPUTY

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
EASTERN DIVISION

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CENTRAL DISTRICT COURT
LOS ANGELES

12 SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

15 TELSIS COMMUNICATIONS, INC., HOME
16 SHOPPING PARTNERS; AND
17 ELEAZAR I. HERACLEOPOLIS,

Defendants.

Civil Action No.
ED CV 00-439 (VAP) (CWx)

[PROPOSED] FINAL
JUDGMENT OF PERMANENT
INJUNCTION AND OTHER
RELIEF AGAINST
DEFENDANTS TELSIS
COMMUNICATIONS, INC.
HOME SHOPPING PARTNERS
AND ELEAZAR I.
HERACLEOPOLIS

HEARING
DATE: December 18, 2000
TIME: 10:00 A.M.
PLACE: Courtroom 45
(Judge Phillips)

✓ Docketed
✓ Copies / NTC Sent
✓ JS-5 / JS-6
Whereas: JS-2 / JS-3
CLSD

23 1. On November 27, 2000, the Plaintiff Securities and
24 Exchange Commission filed and served upon Defendants TELSIS
25 COMMUNICATIONS, INC. ("Telsys"), HOME SHIPPING PARTNERS ("HSP"),
26 and ELEAZAR I. HERACLEOPOLIS ("Heracleopolis") a Motion for
27 Summary Judgment filed against these Defendants pursuant to Rule
28 56, Fed.R.Civ.P. and Local Rule 7.14.

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1 transportation, for the purpose of sale or for delivery
2 after sale, the securities of any issuer, unless and
3 until a registration statement is in effect as to such
4 securities; and

5 C. making use of any means or instruments of
6 transportation or communication in interstate commerce
7 or of the mails to offer to sell or offer to buy,
8 through the use or medium of any prospectus or
9 otherwise, the securities of any issuer, unless and
10 until a registration statement has been filed with the
11 Commission as to such securities, or while a
12 registration statement as to such securities is the
13 subject of a refusal order or stop order or (prior to
14 the effective date of the registration statement) any
15 public proceeding or examination under Section 8 of the
16 Securities Act of 1933 [15 U.S.C. § 77h];

17 in violation of Sections 5(a) and 5(c) of the Securities Act of
18 1933 ("Securities Act") [15 U.S.C. §§ 77e(a) & 77e(c)].

19 III.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
21 Telsys, HSP and Heracleopolis and their agents, servants,
22 employees, and attorneys, and all persons acting in active
23 concert or participation with any of them, who receive actual
24 notice of this Final Judgment by personal service or otherwise,
25 and each of them, are permanently restrained and enjoined from,
26 directly or indirectly, in the offer or sale of the securities of
27 any issuer, by the use of any means or instruments of
28

1 transportation or communication in interstate commerce or by the
2 use of the mails:

- 3 A. employing any device, scheme, or artifice to defraud;
- 4 B. obtaining money or property by means of any untrue
5 statement of a material fact or any omission to state a
6 material fact necessary in order to make the statements
7 made, in the light of the circumstances under which
8 they were made, not misleading; or
- 9 C. engaging in any transaction, practice, or course of
10 business which operates or would operate as a fraud
11 or deceit upon the purchaser;

12 in violation of Section 17(a) of the Securities Act [15 U.S.C. §
13 77q(a)].

14 IV.

15 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants
16 Telsys, HSP and Heracleopolis and their agents, servants,
17 employees, and attorneys, and all persons acting in active
18 concert or participation with any of them, who receive actual
19 notice of this Final Judgment by personal service or otherwise,
20 and each of them, are permanently restrained and enjoined from,
21 directly or indirectly, in connection with the purchase or sale
22 of the securities of any issuer, by the use of any means or
23 instrumentality of interstate commerce, or of the mails, or of
24 any facility of any national securities exchange:

- 25 A. employing any device, scheme, or artifice to defraud;
- 26 B. making any untrue statement of a material fact or
27 omitting to state a material fact necessary in order
28 to make the statements made, in the light of the

1 circumstances under which they were made, not
2 misleading; or

3 C. engaging in any act, practice, or course of business
4 which operates or would operate as a fraud or deceit
5 upon any person;

6 in violation of Section 10(b) of the Securities Exchange Act of
7 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5
8 thereunder [17 C.F.R. § 240.10b-5].

9 V.

10 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants
11 Telsys and Heracleopolis and their agents, servants, employees
12 and attorneys, and all persons in active concert or participation
13 with any of them, who receive actual notice of this Final
14 Judgment by personal service or otherwise, and each of them, are
15 permanently restrained and enjoined from making use of the mails
16 or any means or instrumentality of interstate commerce to effect
17 any transactions in, or to induce or attempt to induce the
18 purchase or sale of, any security (other than an exempted
19 security or commercial paper, bankers' acceptances, or commercial
20 bills) without being registered as a broker and/or dealer
21 pursuant to Section 15(b) of the Securities Exchange Act of 1934
22 (Exchange Act) [15 U.S.C. § 78o(b)] or becoming associated with a
23 registered broker and/or dealer, in violation of Section 15(a)(1)
24 of the Exchange Act [15 U.S.C. §78o(a)(1)].

25 VI.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
27 Heracleopolis shall pay disgorgement in the amount of \$502,812.67
28 representing his gains from the conduct alleged in the Complaint,

1 plus pre-judgment interest thereon in the amount of \$38,630.40,
2 calculated as of December 18, 2000 and \$70.49 for each day
3 thereafter, prior to entry of the Final Judgment, compounded on
4 an annual basis. Defendant Heracleopolis shall make the payment
5 of disgorgement and prejudgment interest, by cashier's check,
6 certified check or postal money order within thirty days of entry
7 of this Final Judgment. The disgorgement and prejudgment interest
8 shall be payable to the United States Securities and Exchange
9 Commission, Comptroller, Operations Center, 6432 General Green
10 Way, Stop 0-3, Alexandria VA 22312, under cover of a letter that
11 identifies the defendant, the name and case number of this
12 litigation, and the Court. A copy of such cover letter and a
13 photocopy of the check shall be simultaneously transmitted to
14 Counsel for the Commission in this action at its Los Angeles
15 Office.

16 VII.

17 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant
18 Heracleopolis is also ordered to pay a Civil Money Penalty
19 pursuant to Section 20(d) of the Securities Act, 15 U.S.C.
20 Section 77t(d), and Section 21(d)(3) of the Exchange Act, 15
21 U.S.C. Section 78u(d)(3) in the amount of \$110,000.00. This civil
22 money penalty: (1) shall be paid by United States Postal Money
23 Order, Certified Check, bank cashier's check or bank money order;
24 (2) shall be made payable to the **United States Treasury**; (3)
25 shall be hand-delivered or Mailed to the Comptroller, Securities
26 and Exchange Commission, Operations Center, 6432 General Green
27 Way, Stop 0-3, Alexandria, VA 22312, and (4) shall be submitted
28 under a cover letter that identifies Defendant Heracleopolis as a

1 Defendant in these proceedings, and states the file number of
2 these proceedings. A copy of this cover letter and cashier's
3 check or money order shall be sent to Trial Counsel for the
4 Commission at the Pacific Regional Office, Securities and
5 Exchange Commission 5670 Wilshire Boulevard, 11th Floor, Los
6 Angeles, California 90036.


7 VIII.

8 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court
9 shall retain jurisdiction over this action to implement and to
10 enforce the terms of this Final Judgment and all other orders and
11 decrees that may be entered herein, and to grant such other
12 relief as the Court may deem necessary and just.

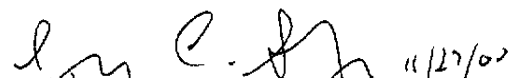
13 * * * * *

14 There being no just reason for delay, the Clerk of the Court
15 is hereby directed, pursuant to Rule 54(b) of the Federal Rules
16 of Civil Procedure, to enter this Final Judgment forthwith.

17
18 DATED: 12/18/00

19
20 
21 VIRGINIA A PHILLIPS, JUDGE
22 UNITED STATES DISTRICT COURT

23 Presented by:

24
25  12/27/00
26 Gregory C. Glynn, Esq.
27 Attorneys for Plaintiff
28 Securities and Exchange Commission