UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, -against- ROBERT BREED, Defendant, -and- KARINE GOVEIA BREED, PATRICIA BREED, and RICHARD BREED, Relief Defendants.	01 Civ. 7798 (CSH) **FINAL JUDGMENT AGAINST DEFENDANT ROBERT BREED**

Haight, Senior District Judge:

Upon consideration of the Default Judgment Against Defendant Robert Breed, entered November 9, 2003, the Order Establishing The Amount Of Defendant Robert Breed's Civil Penalty And Setting Forth the Manner In Which The Disgorgement And Civil Penalty Payments Shall Be Made, entered June 3, 2004, the Order entered June 3, 2004, and the record of this action, and good cause appearing, the Court hereby enters this Final Judgment Against Defendant Robert Breed ("Defendant").

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant, and Defendant's officers, agents, servants, employees and attorneys, and those persons in active

concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from violating 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, directly or indirectly through the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security, (1) employing any device, scheme or artifice to defraud, (2) making any untrue statement of a material fact or omitting 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 (3) engaging 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, and Defendant's officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from violating Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 thereunder [17 C.F.R. § 240.14e-3] by, directly or indirectly, in connection with any tender offer or request or invitation for tenders, engaging in any fraudulent, deceptive or manipulative act or practice by (1) trading in the securities sought or to be sought in such tender offer while in possession of material nonpublic information relating to such tender offer which they know or have reason to know is nonpublic and know or have reason to know was acquired directly or indirectly from the offering person, the issuer of the securities sought or to be sought by such tender offer, or any officer, director, partner, employee or other person acting on behalf of the offering person or such issuer, without disclosing such information and its source a reasonable time before trading, or (2) communicating material nonpublic information relating to

a tender offer, which information they know or have reason to know is nonpublic and know or have reason to know was acquired directly or indirectly from the offering person, the issuer of the securities sought or to be sought in the tender offer, or any person acting on behalf of the offering person or such issuer, to any other person under circumstances in which it is reasonably foreseeable that such communication is likely to result in violation of Section 14(e) and Rule 14e-3.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, and Defendant's officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from violating Section 7(c) of the Exchange Act [15 U.S.C. § 78g(c)] and Regulation T promulgated thereunder [12 C.F.R. § 220.1, *et seq.*], by extending or maintaining credit or arranging for the extension or maintenance of credit to or for any customer or broker-dealer on any security, other than an exempted security, in contravention of the rules and regulations prescribed by the Board of Governors of the Federal Reserve System, or without collateral or on any collateral other than securities except in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant is liable as follows for disgorgement of $189,692.00, representing profits gained and losses avoided as a result of the conduct alleged in the First Amended Complaint, plus prejudgment interest thereon in the amount of $128,864.11, for a total of $318,556.11: (i) Robert Breed is liable for disgorgement of $54,710.00, representing profits and proceeds received in his accounts as a result of the illegal conduct alleged in the First Amended Complaint, plus prejudgment interest

thereon in the amount of $38,269.19, for a total of $92,979.19; (ii) Robert Breed is jointly and severally liable with Karine Breed for disgorgement of $51,950.00, representing profits and proceeds received in her accounts as a result of the illegal conduct alleged in the First Amended Complaint, plus prejudgment interest thereon in the amount of $38,277.14, for a total of $90,277.14; (iii) Robert Breed is jointly and severally liable with Patricia Breed for disgorgement of $50,050.00, representing profits and proceeds received in her accounts as a result of the illegal conduct alleged in the First Amended Complaint, plus prejudgment interest thereon in the amount of $30,733.78, for a total of $80,783.78; and (iv) Robert Breed is jointly and severally liable with Richard Breed for disgorgement of $32,982.00, representing profits and proceeds received in Richard Breed's accounts as a result of the illegal conduct alleged in the First Amended Complaint, plus prejudgment interest thereon in the amount of $21,584.00, for a total of $54,566.00.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after ten days following entry of this Final Judgment. In response to any such civil contempt motion by the Commission, Defendant may assert any legally permissible defense. Payments under this paragraph shall be made within ten days of entry of this Final Judgment by certified check, bank cashier's check or United States postal money order payable and delivered or mailed to the Clerk of this Court, together with a cover letter identifying Robert Breed as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action, James A. Meyers, Assistant Chief Litigation Counsel, Division of Enforcement, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail

Stop 09-11, Washington, D.C. 20549. Defendant relinquishes all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Defendant or any other defendant in this action.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Section 21A(a)(2) of the Exchange Act [15 U.S.C. § 78u-1(a)(2)], Defendant shall pay a civil penalty in the amount of $569,076.00. Defendant shall pay his civil penalty within ten days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Robert Breed as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Robert Breed shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action, James A. Meyers, Assistant Chief Litigation Counsel, Division of Enforcement,

Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 09-11, Washington, D.C. 20549.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including implementation and enforcement of this Final Judgment.

SO ORDERED.

Dated: New York, New York
~~June~~ August 9, 2004

Charles S. Haight, Jr.
Senior United States District Judge