

UNITED STATES DISTRICT COURT  
FOR THE  
DISTRICT COURT OF COLUMBIA

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Plaintiff,

v.

ARNOLD GELLER, et al.

Defendants.

Civil Action No.

04 1858

**FINAL JUDGMENT AS TO DEFENDANT  
G. MICHAEL HARRIS**

The Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant G. Michael Harris ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment As To Defendant G. Michael Harris ("Final Judgment") without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment.

**I.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant Harris and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are

permanently restrained and enjoined from violating, directly or indirectly, Sections 13(d)(1) and 13(d)(2) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78m(d)(1) and 78m(d)(2)] and Exchange Act Rules 13d-1(a) and 13d-2(a) [17 C.F.R. §§ 240.13d-1(a) and 240.13d-2(a)] by:

- (a) after acquiring directly or indirectly the beneficial ownership of any equity security of a class which is specified in Exchange Act Rule 13d-1(i) [17 C.F.R. § 240.13d-1(i)] and becoming directly or indirectly the beneficial owner of more than 5% of the class, failing, within ten (10) days after the acquisition, to send to the issuer of the security, to send to each exchange where the security is traded and to file with the Commission, a statement containing the information required by Schedule 13D [17 C.F.R. Section 240.13d-101]; and
- (b) failing promptly to file or cause to be filed with the Commission, and to transmit to the issuer and the exchange where the security is traded, an amendment disclosing a change if any material change occurs in the facts set forth in a Schedule 13D [17 C.F.R. Section 240.13d-101] required by Exchange Act Rule 13d-1(a) [17 C.F.R. § 240.13d-1(a)], including, but not limited to, any material increase or decrease in the percentage of the class beneficially owned.

**II.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Harris and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Exchange Act Rules 14a-3, 14a-4, 14a-5 and 14a-6 [17 C.F.R. §§ 240.14a-3, 240.14a-4, 240.14a-5 and 240.14a-6] by using the mails or any means or instrumentality of interstate commerce or any facility of a national securities exchange to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], in contravention of Exchange Act Rules 14a-3, 14a-4, 14a-5 and 14a-6 [17 C.F.R. §§ 240.14a-3, 240.14a-4, 240.14a-5 and 240.14a-6].

**III.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Harris and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Exchange Act Rule 12b-20 [17 C.F.R. § 240.12b-20] by failing, in addition to the information expressly required to be included in a statement or report, to add such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made not misleading.

**IV.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, based on Defendant's sworn representations in his Statement of Financial Condition dated as of June 3, 2004, and other documents and information submitted to the Commission, the Court is not ordering Defendant to pay a civil penalty. The determination not to impose a civil penalty is contingent upon the accuracy and completeness of Harris' Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant to pay the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1) challenge the validity of the Consent and Undertakings of G. Michael Harris ("Consent") or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of a civil penalty should not be ordered; (4) contest the imposition of the maximum

**IV.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that, based on Defendant's sworn representations in his Statement of Financial Condition dated as of June 3, 2004, and other documents and information submitted to the Commission, the Court is not ordering Defendant to pay a civil penalty. The determination not to impose a civil penalty is contingent upon the accuracy and completeness of Harris' Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning his assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant to pay the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1) challenge the validity of the Consent and Undertakings of G. Michael Harris ("Consent") or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of a civil penalty should not be ordered; (4) contest the imposition of the maximum

civil penalty allowable under the law; or (5) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

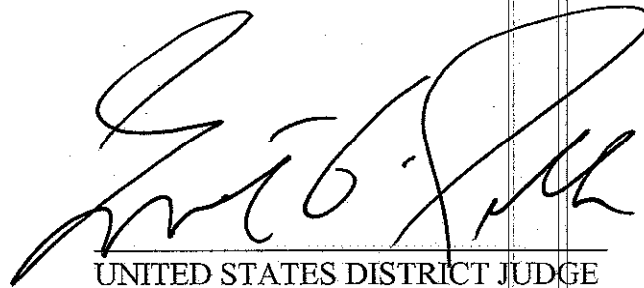
V.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Harris' accompanying Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

VI.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: 11/19/, 2004



UNITED STATES DISTRICT JUDGE