

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF PENNSYLVANIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

RICHARD E. MCDONALD, ET AL.,

Defendants.

C.A. No. 09-1685

**FINAL JUDGMENT AS TO JOSEPH I. EMAS**

The Securities and Exchange Commission having filed a Complaint and Defendant Joseph I. Emas (“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 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 and Defendant’s 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 Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)] in the offer or sale of any security by the use of any means or instruments of transportation or

communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (b) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's 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 Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$135,782, together with prejudgment interest thereon in the amount of \$27,301, and a civil penalty in the amount of \$15,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t], and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by paying \$178,083, pursuant to the terms of the payment schedule set forth in paragraph IV below, 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. Each required 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 Joseph I. Emas 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 the Philadelphia Regional Office.

Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. All unpaid portions of disgorgement, prejudgment interest, and civil penalties become delinquent if Defendant fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth in paragraph IV below. Accordingly, if the Defendant is delinquent in any of his scheduled payments, all outstanding amounts under this Final Judgment, including post-judgment interest on the total amount outstanding, shall become due and payable immediately without further application to the Court.

The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Emas shall pay \$178,083 in five installments according to the following schedule:

- (1) \$50,000 within 10 days of entry of this Final Judgment;
- (2) \$32,020.75 within 90 days of the entry of this Final Judgment;
- (3) \$32,020.75 within 180 days of the entry of this Final Judgment;
- (4) \$32,020.75 within 270 days of the entry of this Final Judgment; and
- (5) \$32,020.75 within 360 days of the entry of this Final Judgment;

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the 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 HEREBY 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: January 4, 2010, ~~2009~~

/s/ Joy Flowers Conti  
UNITED STATES DISTRICT JUDGE