

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF COLUMBIA

_____)
SECURITIES AND EXCHANGE COMMISSION,)
450 Fifth Street, N.W.)
Washington, D.C. 20549,)
))
Plaintiff,)
))
v.)
))
MEMBERS SERVICE CORPORATION,)
PHILIP SUNG,)
JOHN R. SILSETH, II,)
WALL STREET STRATEGIES, INC.,)
TODD H. MOORE,)
CHARLES V. PAYNE,)
UNION SECURITIES LTD.,)
DAVID GILBERT,)
JOSEPH LANZA, and)
KENNETH O'NEAL,)
))
Defendants)
))
JAYNE LANZA,)
))
Relief Defendant.)
_____)

FILED

OCT 04 2000

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

CASE NO. 1:97CV01146(HHK)

FINAL JUDGMENT AS TO
DEFENDANT JOSEPH LANZA

Plaintiff, the United States Securities and Exchange Commission (the "Commission"), having filed its Complaint, an Amended Complaint, and a Second Amended Complaint and defendant Joseph Lanza, in the Consent of Joseph Lanza (the "Consent"), filed simultaneously with this Final Judgment as to Joseph Lanza (the "Final Judgment") and incorporated herein by reference, having entered a general appearance, having admitted this Court's

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jurisdiction over him and over the subject matter of this action, having acknowledged service of the Summons, Complaint, Amended Complaint, and a Second Amended Complaint, having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure and, without admitting or denying any of the allegations of the Second Amended Complaint, except as to jurisdiction, to which he admits, having consented to the entry of this Final Judgment, and it further appearing that this Court has jurisdiction over Joseph Lanza and the subject matter hereof, and this Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Lanza, his agents, servants, employees, attorneys, and those persons in active concert or in participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from violating Section 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. making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell the securities of any issuer,

through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect as to such securities;

- b. carrying or causing 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, the securities of any issuer, unless and until a registration statement is in effect as to such securities; 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 or any prospectus or otherwise the securities of any issuer, unless and until a registration statement has been filed with the Commission as to such securities, or while a registration statement as to such securities is the subject of a refusal order or stop order (prior to the effective date of the registration statement) in any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. §77h].

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lanza, his agents, servants, employees, attorneys, and

those persons in active concert and participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are permanently restrained and enjoined from, directly and indirectly, violating Section 17(a) of the Securities Act [15 U.S.C. §77q(a)] by, directly or indirectly using any means or instruments of transportation or communication in interstate commerce, or the mails:

- (a) to employ any device, scheme or artifice to defraud, or
- (b) to obtain 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) to engage 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 securities.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lanza, his agents, servants, employees, attorneys, and those persons in active concert and participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and they hereby are

permanently restrained and enjoined from, directly and indirectly, violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder by, directly or indirectly, using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or to omit 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) to engage 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 HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Lanza disgorge \$265,214 plus prejudgment interest of \$239,085 within 10 (ten) days of entry of this Final Judgment.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon Lanza's sworn representations in his Balance Sheet and Statement of Profit & Loss as of June 30, 2000, and submitted to the

Commission, payment of the disgorgement and prejudgment interest ordered above is waived and no civil monetary penalty is imposed.

If at any time following the entry of this Final Judgment, the Commission obtains information indicating that Lanza's representations concerning his financial condition made in his Balance Sheet and Statement of Profit & Loss as of June 30, 2000, were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, or as of the time this Final Judgment is entered, the Commission may, at its sole discretion, and without prior notice to Lanza, petition the Court for an order requiring Lanza to pay disgorgement plus prejudgment interest and a monetary penalty. In connection with any such petition, the only issues shall be (1) whether the financial information provided by Lanza was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, or as of the time that this Final Judgment is entered; (2) the amount of disgorgement and prejudgment interest remaining due; and (3) the amount of civil penalty to be imposed. In its petition, the Commission may move the Court to consider all available remedies.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Lanza's accompanying Consent be, and it hereby is, incorporated

herein with the same force and effect as if fully set forth herein.

VII.

There being no reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith and without further notice.


UNITED STATES DISTRICT JUDGE

Dated: October 4, 2000

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CERTIFICATE OF SERVICE

I am a citizen of the United States and a resident of the State of Maryland, I am over the age of eighteen years and not a party to the above entitled action; my business address is 450 Fifth Street, N.W., Washington, D.C., 20549. On September 28, 2000, I served a copy of the attached proposed Final Judgment as to Defendant Joseph Lanza by sending it by First Class mail to:

Wayne Hartke, Esq.
Hartke & Hartke
7637 Leesburg Pike
Falls Church, Va. 22043
(Attorney for defendant Joseph Lanza and relief defendant Jayne Lanza)

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 28, 2000 at Washington, D.C.



Peter H. Bresnan