

BATTS, J

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

LEONARD ALEXANDER RUGE,
RICHARD WOLFF,
MAC BEAGELMAN,
MICHAEL SCOTT SYMONS,
RICHARD BALBER,
STEPHEN EVERS,
EUGENE FLAKSMAN,
MARK FURMAN,
ALEX GRINSHPON,
DANIEL KOLCHKOV,
JEFF SANDERS,
ALEX SOLON,
MARK ZABORSKY, and
JEFFERY STONE,

Defendants.

97 Civ. 9306 (DAB)

FINAL JUDGMENT
OF PERMANENT
INJUNCTION AND
OTHER RELIEF
BY DEFAULT AGAINST
JEFFERY STONE

Plaintiff Securities and Exchange Commission ("Commission"), having commenced this action by filing a Complaint on December 18, 1997 and Defendant Jeffery Stone ("Defendant") having been served with a copy of the Complaint and Summons on December 30, 1997; Defendant Stone having failed to answer, move, or otherwise respond to the Commission's Complaint as required by Federal Rule of Civil Procedure 12; the Court having provided Defendant and the Commission the opportunity to be heard, and having heard any arguments that may have been put forth; the Court having found Defendant to be in default and having entered a Partial Judgment of Permanent Injunction and Other Relief Against Jeffery Stone on July 30, 2002; and there being no

just reason for delaying the entry of this Final Judgment of Permanent Injunction and Other Relief By Default Against Jeffery Stone ("Final Judgment"):

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Stone and Defendant Stone'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, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (1) to employ any device, scheme, or artifice to defraud;
- (2) to make any untrue statement of material fact or to omit 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

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 Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)] in the offer or sale of any security by use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (1) to employ any device, scheme, or artifice to defraud;
- (2) 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
- (3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Commission's claim for disgorgement against Defendant in this civil action is satisfied by the restitution ordered in United States v. Jeffrey Stone, 97 Cr. 1034 (S.D.N.Y.) (JSM).

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Commission may effect service of this Final Judgment upon Defendant by delivering a copy of this Final Judgment to Jeffery Stone at any of the following addresses or to any attorney entering an appearance for defendant Stone in this action:

Jeffery Stone
c/o Sandy Young
U.S. Probation Officer
500 Pearl Street, 7 North
New York, NY 10007; or

Jeffery Stone
3610 Armstrong
Dallas, TX 75205.

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.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that there being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: June 26, 2003


UNITED STATES DISTRICT JUDGE



**THIS DOCUMENT WAS ENTERED
ON THE DOCKET ON _____**