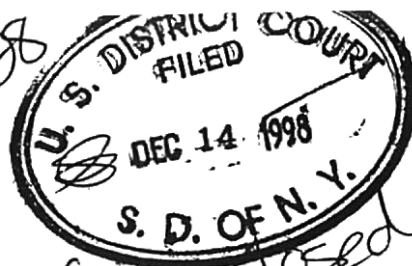


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



Rokoff, J

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,

98 Civ. 1366 (JSR)

- against -

R.M. CARUCCI CORP.
TOUCHDOWN SECURITIES, INC.
ROBERT J. CARUCCI, CHRISTINE A. BEYER
MICHAEL A. FRAYLER

FINAL JUDGMENT OF
PERMANENT INJUNCTION
BY CONSENT AGAINST
MICHAEL A. FRAYLER AND
TOUCHDOWN SECURITIES, INC

Defendants.

#98-256

Plaintiff Securities and Exchange Commission ("Commission"),
having commenced this action by filing a Complaint against
defendants Michael A. Frayler ("Frayler") and Touchdown Securities,
Inc. ("Touchdown") on February 25, 1998 and a First Amended
Complaint on May 18, 1998, for a permanent injunction and other
equitable relief, and defendants Frayler and Touchdown, having
executed the attached Consents in which, without admitting or
denying the allegations of the First Amended Complaint, they admit
the in personam jurisdiction of this Court over them and this
Court's jurisdiction over the subject matter of this action, and
the service of the Summons and Complaint on them, waive the entry
of findings of fact and conclusions of law pursuant to Rule 52 of
the Federal Rules of Civil Procedure, and consent to the entry,
without further notice, of this Final Judgment by Consent Against
Michael A. Frayler And Touchdown Securities, Inc. ("Final

Judgment"), and there being no just reason for delaying the entry of this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendant Frayler hereby is permanently enjoined and restrained from, directly or indirectly, singly or in concert:

- (1) effecting any transaction on any national securities exchange of which he is a member, for his own account, the account of an associated person, or an account with respect to which he or an associated person thereof exercises investment discretion;
- (2) initiating, while on the floor of any national securities exchange of which he is a member, any transaction in any security admitted to trading on such exchange, for any account in which he has an interest, or for any account with respect to which he has discretion as to the time of execution, the choice of security to be bought or sold, the total amount of any security to be bought or sold, or whether any such transaction shall be one of purchase or sale;

in violation of Section 11(a) of the Securities Exchange Act of 1934 ("Exchange Act"), [15 U.S.C. § 78k(a)] and Rule 11a-1 thereunder, [17 C.F.R. § 240.11a-1].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendants Frayler and Touchdown hereby are permanently enjoined and restrained from, directly or indirectly, singly or in concert, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (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,

in connection with the purchase or sale of any security, in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Rule 10b-5 thereunder, [17 C.F.R. § 240.10b-5].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendants Frayler and Touchdown hereby are permanently enjoined and restrained from, directly or indirectly, singly or in concert, in

the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

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

in violation of Section 17(a) of the Securities Act of 1933 [15 U.S.C. § 77q(a)].

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Touchdown is hereby permanently enjoined and restrained from, directly or indirectly, singly or in concert, violating Section 17(a)(1) of the Exchange Act [15 U.S.C. § 78q(a)(1)] and Rules 17a-3 and 17a-5 promulgated thereunder [17 C.F.R. §§ 240.17a-3 and 240.17a-5] by failing to make and keep current such records, to furnish such copies thereof, and to make, disseminate and file the reports required by such section and the rules thereunder, which

set forth requirements concerning records and reports required to be made and kept current by certain exchange members, brokers and dealers.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Frayler is hereby permanently enjoined and restrained from, directly or indirectly, singly or in concert, aiding and abetting violations of Section 17(a)(1) of the Exchange Act [15 U.S.C. § 78q(a)] and Rule 17a-3 thereunder, [17 C.F.R. § 240.17a-3(a)(7)].

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Frayler hereby is permanently enjoined and restrained from, directly or indirectly, singly or in concert, at any and all times he is a member of the New York Stock Exchange ("NYSE"), effecting any transaction in any security on the NYSE for his account, the account of an associated person, or an account with respect to which he, or an associated person of a NYSE member organization that Frayler is associated with, exercises investment discretion, in violation of NYSE Rule 90(a).

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Frayler hereby is permanently enjoined and restrained from, directly or indirectly, singly or in concert, at any and all times he is a member of the NYSE, and while on the floor of the NYSE, executing or causing to be executed on the NYSE, or through the InterMarket Trading System (as that term is defined in NYSE Rule 15) or any of its applications, any transaction for the purchase or sale of any stock with respect to which transaction defendant Frayler is vested with discretion as to:

- (1) the choice of security to be bought or sold;
- (2) the total amount of any security to be bought or sold;
- or,
- (3) whether any such transaction shall be one of purchase or sale,

in violation of NYSE Rule 95(a).

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Frayler hereby is permanently enjoined and restrained from, directly or indirectly, singly or in concert, at any and all times he is a member of the NYSE, initiating transactions, while on the floor of the NYSE, for an account in which he has an interest unless he is registered as a Competitive Trader (as that term is defined by NYSE Rule 111) with the NYSE and unless the NYSE has approved of his so acting as a Competitive Trader and has not

suspended or withdrawn such approval, in violation of NYSE Rule 111(a).

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Frayler hereby is permanently enjoined and restrained from, directly or indirectly, singly or in concert, at any and all times he is a member of the NYSE:

- (1) personally buying or initiating the purchase of any security on the NYSE for his own account or for any account in which he, his member organization or any other NYSE member, allied member or approved person, in such organization or officer thereof, is directly or indirectly interested, while he personally holds or has knowledge that his member organization holds an unexecuted market order to buy such security in the unit of trading for a customer; or
- (2) personally selling or initiating the sale of any security on the NYSE for his own account or for any account in which he, his member organization or any other NYSE member, allied member or approved person, in such organization or officer thereof, is directly or indirectly interested, while he personally holds or has

knowledge that his member organization holds an unexecuted market order to sell such security in the unit of trading for a customer, in violation of NYSE Rule 92(a).

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Frayler hereby is permanently enjoined and restrained from, directly or indirectly, singly or in concert, at any and all times he is a member of the NYSE:

- (1) personally buying or initiating the purchase of any security on the NYSE for his own account or for any account in which he, his member organization or any other NYSE member, allied member or approved person, in such organization or officer thereof, is directly or indirectly interested, at or below the price at which he personally holds or has knowledge that his member organization holds an unexecuted limited price order to buy such security in the unit of trading for a customer; or
- (2) personally selling or initiating the sale of any security on the NYSE for his own account or for any account in which he, his member organization or any other NYSE member, allied member or approved person, in such organization or officer thereof, is directly or

indirectly interested, at or above the price at which he personally holds or has knowledge that his member organization holds an unexecuted limited price order to sell such security in the unit of trading for a customer,

in violation of NYSE Rule 92(b).

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Frayler hereby is permanently enjoined and restrained from, directly or indirectly, singly or in concert, at any and all times he is a member of the NYSE, from filling a purchase order for securities that he has accepted for execution, personally or through his member organization, by selling such securities for any account in which he, his member organization or any other member or allied member therein has a direct or indirect interest or for any account in which an approved person in such organization or officer thereof is directly or indirectly interested when he knows or should know that the sale is for such an account, or having so accepted an order for the sale of securities, filling such order by buying such securities for such an account, in violation of NYSE Rule 91.

XII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Frayler pay disgorgement in the amount of \$572,491.72, representing his gains from the conduct alleged in Complaint. Based upon Frayler's sworn representations in his Statement of Financial Condition dated August 17, 1998, and submitted to the Commission, payment of all the disgorgement and prejudgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition.

XIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, based upon defendant Frayler's representations in his Statement of Financial Condition submitted to the Commission, the Court is not ordering Frayler to pay a civil penalty pursuant to the Securities Enforcement Remedies and Penny Stock Reform Act of 1990 [15 U.S.C. § 78u(d)]. The determination not to impose a civil penalty and to waive payment of all the disgorgement and prejudgment interest thereon is contingent upon the accuracy and completeness of Frayler's Statement of Financial Condition. If, at any time following the entry of this Final Judgment, the Commission obtains information indicating that Frayler'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

Frayler, petition this Court for an Order requiring Frayler to pay the disgorgement, prejudgment and postjudgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Frayler was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Frayler to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Frayler may not, by way of defense to such petition, challenge the validity of the Consent or this Final Judgment, contest the allegations in the Complaint filed by the Commission, the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

XIV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, this Final Judgment is binding upon defendants Frayler and Touchdown, their officers, agents, servants, employees, partners, and attorneys, and upon those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, pursuant to Federal Rule of Civil Procedure 65(d).

XV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the attached Consents of defendants Frayler and Touchdown be and hereby are incorporated herein with the same force and effect as if fully set forth herein.

XVI.

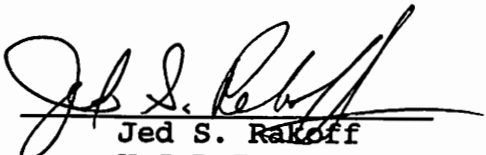
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes.

XVII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Dated: _____

12/11/98


Jed S. Rakoff
U.S.D.J.



THIS DOCUMENT WAS ENTERED
ON THE DOCKET ON 12/15/98