

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

WILLIAM P. TRAINOR, et al.,

Defendants,

and

DIANE M. TRAINOR, et al.,

Relief Defendants.

JAN 9 2002

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

CASE NO. 98 CV 01533
(EGS)(AK)

CONSENT OF VINCENT D. CELENTANO

1. Defendant Vincent D. Celentano ("Celentano") admits this Court's jurisdiction over him and over the subject matter of this action.

2. Celentano, without admitting or denying the allegations of the Complaints except as to jurisdiction, to which he admits, consents to the entry of the Final Judgment, attached hereto and incorporated by reference herein, that: 1) permanently restrains and enjoins Celentano, his agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with him who receive actual notice of the Final Judgment, from violating, directly or indirectly, Sections 5(a) and (c) and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§77e(a) and (c) and 77q(a)] and Sections 10(b), 13(d), 15(a)(1), and 16(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§78j(b), 78m(a), 78m(b)(2)(A) and (B), 78m(d) and 78p(a)] and Rules 10b-5, 12b-20, 13d-1 and 16a-3 promulgated thereunder [17 C.F.R. §§240.10b-5, 240.13a-13, 240.13b2-1, 240.13d-2 and 240.16a-3], and from aiding and abetting violations of Sections

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13(a) and 13(b)(2)(A) and (B) of the Exchange Act [15 U.S.C. §§78m(a), 78m(b)(2)(A) and (B)] and Rules 12b-20, 13a-13 and 13b2-1 [17 C.F.R. §§240.12b-20, 240.13a-13, 240.13b2-1] promulgated thereunder; 2) permanently bars Celentano from serving as an officer or director of any publicly held company; and 3) directs Celentano to pay a civil money penalty in the amount of \$350,000.

3. Celentano waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

4. Celentano waives any right he may have to appeal from the entry of the Final Judgment.

5. Consistent with the provisions of 17 C.F.R. §202.5(f), Celentano waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein.

6. Celentano enters into this Consent voluntarily and confirms that no threats, offers, promises or inducements of any kind have been made by the Commission or any member, officer, employee, agent, or representative of the Commission to induce him to enter into this Consent.

7. Celentano agrees that this Consent shall be incorporated by reference into the Final Judgment with the same force and effect as if fully set forth therein.

8. Celentano agrees that he will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection he may have based thereon.

9. Celentano waives service upon him of the Final Judgment and agrees that entry of

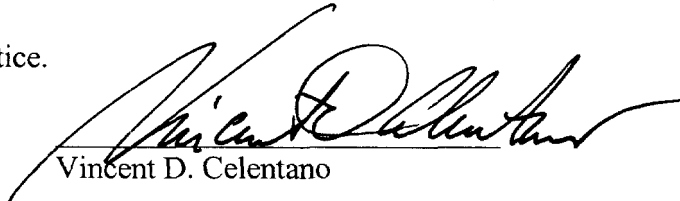
the Final Judgment by this Court and filing with the Clerk of the United States District Court for the District of Columbia will constitute notice to him of the terms and conditions of such Final Judgment.

10. Celentano undertakes and agrees, upon reasonable notice, to appear as a witness at the trial of this action and to appear as a witness at a deposition in this action prior to trial. In connection with any such deposition or trial testimony, Celentano hereby agrees: a) to personally receive any notice of deposition or trial subpoena for his appearance and testimony; b) that the Commission may serve any such notice or subpoena for his appearance and testimony on Vincent D. Celentano personally, or his attorney, by mail; c) that the Commission may serve any such notice or subpoena for his appearance and testimony beyond the territorial limits imposed by Rule 45 of the Federal Rules of Civil Procedure, providing the Commission reimburses his travel, lodging and subsistence expenses at then-prevailing U.S. Government per diem rates for witnesses; and d) to consent to personal jurisdiction over him in any United States District Court for purposes of enforcing any such subpoena for his appearance and testimony. Celentano further agrees and undertakes, at the request of the Commission or its staff and upon reasonable notice, to appear and be interviewed by the Commission's staff at such times and places as the staff reasonably requests. Nothing stated in this paragraph, however, shall waive any privilege of Celentano's, nor shall Celentano be compelled to waive any applicable privilege. Any invocation by Celentano of his privilege against self-incrimination under the Fifth Amendment of the United States Constitution shall not justify his failure to appear to testify and assert that privilege in person, upon notice or subpoena served in the manner described above, in a deposition or at trial in this matter.

11. Celentano understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegations in the complaint or order for proceedings" (17 C.F.R. §202.5(e)). In compliance with this policy, Celentano agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the Complaints or creating the impression that the Complaints are without factual basis. If Celentano breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this case to its active docket. Nothing in this provision affects Celentano's obligations or right to take legal positions in litigation in which the Commission is not a party, or affects Celentano's obligation to testify truthfully in this or any related proceeding.


12. Celentano agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

13. Celentano agrees that the Commission may present the Final Judgment to this Court for signature and entry without further notice.


Vincent D. Celentano

Dated: 12/10/01

On this 10 day of December, 2001, Vincent D. Celentano, being known to me and who executed the foregoing Consent of Vincent D. Celentano, personally appeared before me and acknowledged to me that he executed the same.


Notary Public

My Commission expires



Kathleen Martin
Commission # CC 941612
Expires June 4, 2002
Bonded Thru
Atlantic Surety Co.

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**CASE NO. 98 CV 01533
(EGS)(AK)**

FINAL JUDGMENT AS TO VINCENT D. CELENTANO

Plaintiff, the United States Securities and Exchange Commission (the "Commission"), having filed its Complaints, and defendant Vincent D. Celentano ("Celentano") in his Consent of Vincent D. Celentano (the "Consent"), filed simultaneously with this Final Judgment as to Vincent D. Celentano (the "Final Judgment") and incorporated herein by reference, having entered an appearance, having admitted this Court's jurisdiction over him and over the subject matter of this action, 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 Complaints, except as to jurisdiction, which he admits, having consented to the entry of this Final Judgment, and it further appearing that this Court has jurisdiction over Celentano and the subject matter hereof, and this Court being fully advised in the premises:

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I.

IT IS ORDERED, ADJUDGED AND DECREED that Celentano his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Sections 5(a) and (c) of the Securities Act of 1933 ("Securities Act") [17 U.S.C. §§77e(a) and (c)], directly or indirectly, by offering for sale any security for which a registration statement is not in effect by

(a) 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; or

(b) 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.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 17(a) the Securities Act [17 U.S.C. §77q(a)], directly or indirectly, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails by

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

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano, his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §240.10b-5], directly or indirectly, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange by

- (a) employing any device, scheme, or artifice to defraud,
- (b) making any untrue statement of a material fact or omitting 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) engaging in any act, practice, or course of business that operates or would operate as a fraud upon any person, in connection with the purchase or sale of any security.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano, his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from aiding and abetting violations of Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and Rules 12b-20 and 13a-13 promulgated thereunder [17 C.F.R. §§240.12b-20 and 240.13a-13], by filing or causing to be filed with the Commission reports which do not accurately disclose the results of the registrant's operations.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano, his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from aiding and abetting violations of Sections 13(b)(2)(A) and (B) [15 U.S.C. §§78m(b)(2)(A) and 78m(b)(2)(B)] and Rule 13b2-1 promulgated thereunder [17 C.F.R. §240.13b2-1], directly or indirectly, by

- (a) failing to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the issuer, or
- (b) failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are executed in accordance with

management's general or specific authorization and that preparation of financial statements is in conformity with generally accepted accounting principles.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano, his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 13(d) [15 U.S.C. §§78m(d)] and Rule 13d-1 promulgated thereunder [17 C.F.R. §240.13d-2], directly or indirectly, by failing to send to the issuer of the security at its principle executive office, send to each exchange where the security is traded, and file with the Commission a statement of ownership within ten days after acquiring at least five percent of a company's securities,

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano, his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 15(a)(1) of the Exchange Act [15 U.S.C. §78p(a)], by using the mails or any means or instrumentality of interstate commerce to effect any transaction in, or induce or attempt to induce the purchase or sale of an security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills), unless such broker or dealer is registered in accordance with subsection (b) of this section.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano, his agents, servants, employees and attorney-in-fact, and those persons in active concert or in participation with him who receive actual notice of the Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined and restrained from violating Section 16(a) [15 U.S.C. §§78p(d)] and Rule 16a-3 promulgated thereunder [17 C.F.R. §240.16a-3], directly or indirectly, by failing to send to the issuer of the security at its principle executive office, to each exchange where the security is traded, and to file with the Commission a statement of ownership within ten days of the end of the calendar month in which the activity occurred, after acquiring at least ten percent of any equity security (other than an exempted security), or becoming an director or officer of that company.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano, be and hereby is permanently barred, pursuant to Section 20(e) of the Securities Act [15 U.S.C. §77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. §78u(d)(2)] from serving as an officer or director of any issuer that has a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. §78l], or that is required to file reports with the Commission pursuant to Section 15(d) of the Exchange Act [15 U.S.C. §78o(d)].

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano hereby pay to , pursuant to Section 21(d)(3)(B)(iii) of the Exchange Act [15 U.S.C. §78u(d)(3)(B)(iii)], a civil money penalty in the amount of \$350,000.

XI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano pay the amount described in paragraph X representing a civil penalty to the United States Treasury within thirty (30) days of the entry of this Final Judgment. Such payment shall be: (a) made by United States postal money order, certified check, bank cashier's check or bank money order; (b) made payable to the "Securities and Exchange Commission"; (c) hand-delivered or mailed to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, Virginia 22312; and (d) submitted with a cover letter that identifies Vincent D. Celentano as the defendant in this action, the caption and civil action number of this action, and the name of this Court. Copies of such check or money order and accompanying cover letter shall be simultaneously transmitted to Mark Kreitman, Esq., Assistant Chief Litigation Counsel, Division of Enforcement, Securities and Exchange Commission, Mail Stop 911, 450 Fifth Street, N.W., Washington, D.C. 20549-0911.

XII.

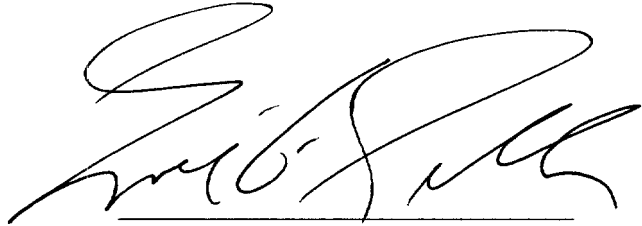
IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Celentano appear, upon the Commission staff's request and upon reasonable notice, as a witness at the trial of this action and appear as a witness at a deposition in this action prior to trial.

XIII.

IT IS FURTHER ORDERED, DECREED AND ADJUDGED that the Consent of Vincent D. Celentano be, and hereby is, incorporated herein with the same force and effect as if fully set forth herein.

XIV.

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

A handwritten signature in black ink, appearing to read "Emmet G. Sullivan", written over a horizontal line.

EMMET G. SULLIVAN
United States District Judge

DATED: 1/9/02