

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

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**SECURITIES AND EXCHANGE COMMISSION,** X  
**Plaintiff,** X  
X **C.A. No. 98-05207**  
**v.** X  
X  
**ANTHONY GIANNINOTO and EILEEN LAINE,** X  
**Defendants.** X  
X  
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**FINAL CONSENT JUDGMENT  
AS TO DEFENDANT ANTHONY GIANNINOTO**

The Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant Anthony Gianninoto ("Gianninoto") having entered a general appearance; consented to the Court's jurisdiction over Gianninoto and the subject matter of this action; executed the attached Consent of Defendant Anthony Gianninoto (the "Consent") incorporated herein; consented to entry of this Final Consent Judgment (the "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 Gianninoto and Gianninoto'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 of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (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 the 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.

**II.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Gianninoto and Gianninoto'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 [15 U.S.C. § 77q(a)] 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 employ any device, scheme, or artifice to defraud;
- (b) 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
- (c) 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 Gianninoto and Gianninoto'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 aiding and abetting any violation of Section 17(a)(1) of the Exchange Act [15 U.S.C. § 78q(a)(1)] and Rules 17a-3 and 17a-11 thereunder [17 C.F.R. § 240.17a-3, 17a-11], by knowingly providing substantial assistance to another person who, in violation of Section 17(a)(1) of the Exchange Act and Rules and 17a-3 and 17a-11 thereunder, fails or omits, directly or indirectly, to make, keep, or furnish all records within the scope of Section 17(a)(1) of the Exchange Act and Rules 17a-3 and 17a-11 thereunder.

**IV.**

**IT IS 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 Gianninoto shall comply with all of the undertakings and agreements set forth therein.

**V.**

**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.

**CONSENT OF DEFENDANT  
ANTHONY GIANNINOTO**

1. Defendant Anthony Gianninoto ("Gianninoto") acknowledges having been served with the complaint in this action, enters a general appearance, and admits the Court's jurisdiction over Gianninoto and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Gianninoto admits), Gianninoto hereby consents to the entry of the Final Judgment in the form attached hereto and incorporated by reference herein, which, among other things permanently restrains and enjoins Gianninoto from violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a); 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; and Section 17(a)(1) of the Exchange Act, 15 U.S.C. § 78q(a)(1), and Rules 17a-3 and 17a-11 thereunder, 17 C.F.R. § 240.17a-3, 17a-11.

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

4. Gianninoto waives the right, if any, to a jury trial and to appeal from the entry of the Final Judgment.

5. Gianninoto enters into this Consent voluntarily and represents 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 Gianninoto to enter into this Consent.

6. Gianninoto agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.

7. Gianninoto 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 based thereon.

8. Gianninoto waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Gianninoto of its terms and conditions.

9. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Gianninoto in this civil proceeding. Gianninoto acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Gianninoto waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Gianninoto further acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding. In addition, in any disciplinary proceeding before the Commission based on the entry of the injunction in this action, Gianninoto understands that he shall not be permitted to contest the factual allegations of the complaint in this action.

10. Gianninoto 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 allegation in the complaint or order for proceedings." 17 C.F.R. § 202.5. In compliance with this policy, Gianninoto agrees: (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent, Gianninoto hereby withdraws any papers filed in this action to the extent that they deny any allegation in the complaint. If Gianninoto breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this paragraph affects Gianninoto's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which the Commission is not a party.

11. Gianninoto hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to seek from the United States, or any agency, or any official of the United States acting in his or her official capacity, directly or indirectly, reimbursement of attorney's fees or other fees, expenses, or costs expended by Gianninoto to defend against this action. For these purposes, Gianninoto agrees that Gianninoto is not the prevailing party in this action since the parties have reached a good faith settlement.

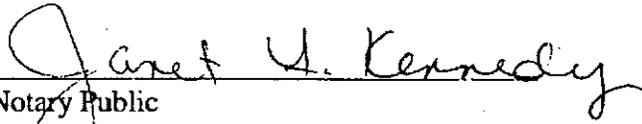
12. Gianninoto agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

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

Dated: 1/10/07

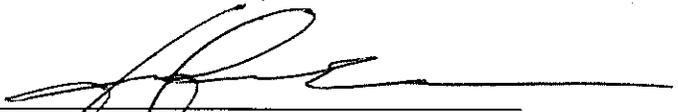
  
\_\_\_\_\_  
Anthony Gianninoto

On January 10, 2007, Anthony Gianninoto a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.

  
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Notary Public  
Commission expires:

**JANET F. KENNEDY  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires October 8, 2010**

**SO ORDERED**

  
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UNITED STATES DISTRICT JUDGE

Date: 2/29-08