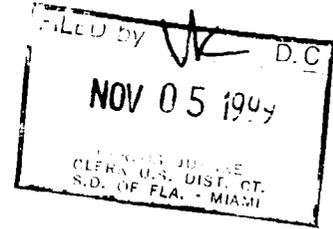




UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA



SECURITIES AND EXCHANGE COMMISSION,)
)
 Plaintiff,)
)
 v.)
)
 DANIEL LAMBERT, JOHN PAPE,)
 JAMES VERRILLO, AND GERARD VERRILLO,)
)
 Defendants.)

Case No. 98-2280-
 CIV-KING
 (Magistrate Judge
 Turnoff)
 FINAL JUDGMENT OF
 PERMANENT INJUNCTION
 AND OTHER RELIEF AS TO
DEFENDANT JOHN PAPE

Defendant John Pape ("Pape") by the Consent annexed hereto, without admitting or denying any of the allegations in the Commission's Complaint, except that he is admitting the allegations as to the jurisdiction of this Court over him and over the subject matter of this action, and as to venue, has agreed to the entry of this Final Judgment of Permanent Injunction And Other Relief as to Defendant John Pape ("Order"). This Court having accepted such Consent and having jurisdiction over Defendant Pape and the subject matter hereof, and the Court being fully advised in the premises:

I.

**VIOLATION OF SECTION 10(b) OF
THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 10b-5 THEREUNDER**

IT IS HEREBY ORDERED that Defendant Pape, his officers, agents, servants, employees, attorneys in fact, and those persons in active concert or participation with him, and each of them, be and they hereby are, permanently restrained and enjoined

from, directly or indirectly, in connection with the purchase or sale of any security by use of any means or instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange:

- (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 which operates or would operate as a fraud or deceit upon any person;

in violation of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

II.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED that Defendant Pape be liable to pay disgorgement in the amount of \$67,707 representing his gains from the conduct alleged in the Complaint, plus prejudgment interest thereon. Based upon Defendant Pape's sworn representations in his Statement of Financial Condition dated October 7, 1998, and submitted to the Commission, payment of all but \$55,220 of the disgorgement and prejudgment interest thereon is waived, contingent upon the accuracy and completeness of Defendant Pape's Statement of Financial Condition.

III.

PENALTIES

IT IS HEREBY FURTHER ORDERED that based upon Defendant Pape's sworn representations in his Statement of Financial Condition dated October 7, 1998, and submitted to the Commission, the Court is not ordering him to pay a civil penalty. The determination not to impose a civil penalty and to waive payment of all but \$55,220 of the disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of Pape's Statement of Financial Condition. If at any time following the entry of this Order the Commission obtains information indicating that Defendant Pape'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 him, petition this Court for an order requiring Defendant Pape to pay the remaining portion of the disgorgement, pre-judgment and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant Pape 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 Defendant Pape to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Order, and the Commission may also request additional discovery. Defendant Pape may not,

by way of defense to such petition, challenge the validity of his Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, contest the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

IV.

INCORPORATION OF CONSENT

IT IS HEREBY FURTHER ORDERED that Defendant Pape shall comply with the provisions of the Consent attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

V.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that this Court shall retain jurisdiction over this matter and over Defendant Pape in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED at 5:00 o'clock, 7 m. this 5 day of Nov 1999, at Miami, Florida.


UNITED STATES DISTRICT JUDGE
JAMES LAWRENCE KING

copies to:

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