

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

PAUL E. JOHNSON,

Defendant.

03 Civ. 0177 (JFK)

AMENDED FINAL JUDGMENT

The Court enters this Amended Final Judgment as follows against the Defendant, Paul Johnson:

I.

The Court hereby ORDERS that the Defendant is restrained and enjoined for a term of five years beginning on July 21, 2006, 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 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.

The Court hereby ORDERS that the Defendant is restrained and enjoined for a term of five years beginning on July 21, 2006, from violating, directly or indirectly, 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 Defendant is liable for disgorgement of \$1.625 million, representing profits gained as a result of the conduct for which he has been found liable by a jury. Defendant shall satisfy this obligation by paying this amount as follows:

- A. \$500,000 within five business days from the date of the entry of this Amended Final Judgment upon the Court's docket;
- B. \$400,000 on the day that is one year from the date of the entry of this Amended Final Judgment upon the Court's docket;

C. \$400,000 on the day that is two years from the date of the entry of this Amended Final Judgment upon the Court's docket;

D. \$325,000 on the day that is three years from the date of the entry of this Amended Final Judgment upon the Court's docket.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty in the amount of \$125,000 pursuant to Section 21(d)(3) of the Exchange Act on the date that is three years from the date of the entry of this Amended Final Judgment upon the Court's docket.

V.

Method of Payment: The Defendant shall make all of the payments required under this Amended Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be hand delivered or sent via overnight or next business day delivery to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Paul Johnson as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Amended Final Judgment. A copy of each letter enclosing payment, and a copy of the payment instrument, shall be mailed on the payment due date to counsel for the Securities and Exchange Commission in this action. The Securities and Exchange Commission shall remit the funds paid pursuant Sections III and IV above and this paragraph to the United States Treasury.

Time to Cure: If the Defendant fails to make payment as required on any of the dates for payment set forth above, the Defendant shall be deemed to be in default. Notwithstanding, however, the Defendant shall be permitted to cure his default by making payment within ten (10) business days of written notice by the Securities and Exchange Commission notifying Defendant that he is in default of any applicable payment due hereunder. The Securities and Exchange Commission's obligation to provide written notice shall be satisfied as of the date on which it sends such notice by facsimile to Defendant at 212 898-0438 and to Eric S. Goldstein of Paul, Weiss, Rifkind, Wharton & Garrison LLP at 212 373-2730, and by U.S. Mail to Defendant at the address provided pursuant to the "Notification of Whereabouts" paragraph below.

Notification of Whereabouts: Until such time as the payments required by this Amended Final Judgment are fully paid, Defendant shall provide the Securities and Exchange Commission with written notification of any change of address, domicile, or residency within ten (10) days of the date of any such change. Such change of address shall be directed to the Securities and Exchange Commission, Division of Enforcement, Collections Unit, located at 100 F Street, NE, Mail Stop 4010, Washington, DC, and shall include the Defendant's full address and telephone number.

VI.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that if the Defendant fails to make payment as required on any of the dates for payment set forth above in this Amended Final Judgment, and fails to cure such default within the time provided under the paragraph above titled "Time to Cure," the following provisions apply:

- A. Acceleration: The disgorgement amount including pre-judgment interest of

\$2,254,730.95 and the penalty amount of \$125,000, less credit for payments made under this Amended Final Judgment, shall become immediately due and payable at the discretion of the Securities and Exchange Commission or its Staff without further application to this Court. Defendant agrees that in the event these sums become due and payable, he is legally precluded from: (1) challenging the validity of the Consent or this Amended Final Judgment; (2) asserting that the payment of disgorgement and pre-judgment interest of \$2,254,730.95 and the penalty amount of \$125,000 should not be ordered; and/or (3) contesting the amount of post-judgment interest assessed;

B. Post-judgment Interest: Post-judgment interest on any unpaid disgorgement, pre-judgment interest, and penalty shall run from July 21, 2006, the date of the original Final Judgment, and accrue at the rate set forth in 28 U.S.C. § 1961;

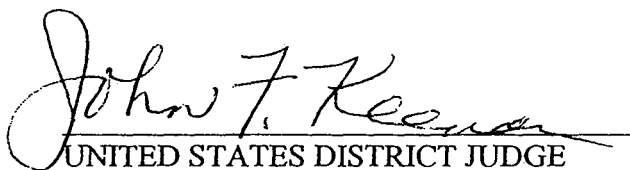
C. Mandatory Financial Disclosures: Defendant shall provide information to the Securities and Exchange Commission regarding his assets and financial circumstances on a periodic basis, including, but not limited to, approximately every six (6) months when the Securities and Exchange Commission requests a completed and executed financial statement or affidavit; and

D. Voidable transfers: Defendant agrees that any transfer of assets other than a bona fide arms-length transaction for value in which he has an interest, contingent or otherwise, valued at \$2,500 or more occurring during the period of time between the entry of this Amended Final Judgment on the Court's docket and his failure to cure any default within the time prescribed by this Amended Final Judgment shall be deemed voidable at the discretion of the Securities and Exchange Commission.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purpose of enforcing the terms of this Amended Final Judgment.

Dated: March 26, 2007


UNITED STATES DISTRICT JUDGE