

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**JAMES MURPHY,
ROBERT LOCKWOOD, and
GILBOA PERETZ**

Defendants,

**CIVIL ACTION
NO. 00-11981-PBS**

FINAL JUDGMENT AGAINST DEFENDANT ROBERT E. LOCKWOOD

Plaintiff SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"), having filed a Complaint for Injunctive Relief ("Complaint"), and Defendant ROBERT E. LOCKWOOD ("LOCKWOOD") having entered a general appearance, having filed an Answer to the Complaint, having, in the annexed Consent of Robert E. Lockwood ("Consent"), withdrawn his Answer to the Complaint and having waived his right to file an Answer, having admitted to the jurisdiction of the Court over him and over the subject matter of this action, having waived the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure with respect to this Final Judgment of Permanent Injunction and Other Relief against Defendant Robert E. Lockwood (the "Final Judgment"), and without admitting or denying the allegations of the Complaint, except as to jurisdiction, which he admits, consented to the entry of this Final Judgment.

DOCKETED

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I.

IT IS HEREBY ORDERED that Defendant LOCKWOOD, his officers, agents, servants, employees, successors and assigns, and each of them, and all persons in active concert or participation with him, and each of them who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently enjoined from violating 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], directly or indirectly, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (1) to employ any device, scheme or artifice to defraud;
- (2) 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
- (3) to engage 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 the securities of any issuer.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant LOCKWOOD, his officers, agents, servants, employees, successors and assigns, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined from violating Rule 13b2-1 [17 C.F.R. § 240.13b2-1] by, directly or indirectly, falsifying or causing to be falsified any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act [15

U.S.C. § 78m(b) (2) (A)].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant LOCKWOOD, his officers, agents, servants, employees, successors and assigns, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined from, directly or indirectly, aiding and abetting violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-13, and 12b-20 promulgated thereunder[17 C.F.R. §§ 240.13a-1, 240.13a-13, and 240.12b-20] by filing with the COMMISSION an annual report or a quarterly report on behalf of any issuer which is required to be filed with the COMMISSION pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and the Rules and regulations promulgated thereunder, which contains any untrue statements of material fact required to be stated therein or necessary to make the statements made, in light of the circumstances under which they were made, not misleading, or which fails to comply in any material respect with the requirements of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and the Rules and regulations promulgated thereunder.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant LOCKWOOD, his officers, agents, servants, employees, successors and assigns, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined from, directly or indirectly, aiding and abetting violations of Section 13(b)(2)(A) of the Exchange Act

[15 U.S.C. § 78m(b)(2)(A)], by failing to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant LOCKWOOD, his officers, agents, servants, employees, successors and assigns, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently enjoined from, directly or indirectly, aiding and abetting violations of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (a) transactions are executed in accordance with management's general or specific authorization; (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets; (c) access to assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

VI.

IT IS FURTHER ORDERED that Defendant LOCKWOOD pay a civil penalty of twenty five thousand dollars (\$25,000) pursuant to Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. §78u(d)(3)) within 30 days of entry of this judgment to the Comptroller

of the SEC. Payment shall be by (1) cashier's check, certified check, bank money order, or U.S. postal money order; (2) made payable to the U.S. Securities and Exchange Commission; (3) mailed or hand-delivered to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; (4) with a transmittal letter specifying that the payment is made pursuant to the judgment entered against Defendant Lockwood in this action, with a copy of the payment and transmittal letter to Linda Bridgman, District Trial Counsel, at the Commission's Boston District Office located at 73 Tremont Street, Suite 600, Boston, MA, 02108. The SEC shall forward such funds to the U.S. Treasury.

VII.

IT IS FURTHER ORDERED that the annexed Consent be, and the same hereby is, incorporated by reference herein with the same force and effect as if fully set forth herein.

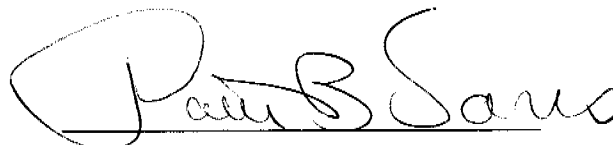
VIII.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction of this matter for the purpose of implementing and enforcing the terms and conditions of this Final Judgment.

IX.

There being no just reason 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.

DONE AND ORDERED at Boston, Massachusetts this 24 day of May 2001.



Patti B. Saris

UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JAMES MURPHY,
ROBERT LOCKWOOD, and
GILBOA PERETZ

Defendants,

CIVIL ACTION
NO. 00-11981-PBS

CONSENT OF DEFENDANT ROBERT E. LOCKWOOD

1. Defendant ROBERT E. LOCKWOOD ("LOCKWOOD"), having been served in this action with the Complaint for Injunctive and other Relief (the "Complaint") in this action, and having entered a general appearance and filed an Answer denying the allegations of the Complaint, admits the service of the Complaint upon him and consents to the jurisdiction of this Court over him and over the subject matter of this action.

2. Defendant LOCKWOOD, without admitting or denying any of the allegations of the Complaint, except that he admits jurisdiction and service, consents to the entry of the Final Judgment Against Defendant Robert E. Lockwood in the form annexed hereto ("Final Judgment") and incorporated by reference herein that, among other things:

(i) permanently enjoins him from engaging in acts, practices or courses of business that constitute or would constitute, directly or indirectly, violations of Section 10(b) of the Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Exchange Act Rules 10b-5

and 13b2-1 [17 C.F.R. § 240.10b-5 and 240.13b2-1] and from aiding and abetting violations of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(a), 78m(b)(2)(A), and 78m(b)(2)(B)] and Rules 12b-20, 13a-1, and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13]; and

(ii) orders him to pay a civil penalty of twenty five thousand dollars (\$25,000) pursuant to Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. §78u(d)(3)) within 30 days of entry of the judgment to the Comptroller of the SEC.

3. Defendant LOCKWOOD waives the filing of an Answer and waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

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

5. Defendant LOCKWOOD enters into this CONSENT voluntarily and of his own accord and represents that no offers, promises, inducements or threats have been made by Plaintiff Commission, or any member, officer, agent, employee or representative thereof to induce him to enter into this consent.

6. Defendant LOCKWOOD acknowledges that a violation of any of the terms or provisions of the Final Judgment may place him in contempt of this Court and subject him to civil or criminal penalties.

7. Defendant LOCKWOOD agrees that this Consent shall be incorporated by reference in the Final Judgment as if fully set forth therein.

8. Defendant LOCKWOOD 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 he hereby waives any objection he may have based thereon.

9. Defendant LOCKWOOD agrees that the Final Judgment may be presented by the Commission to the Court for signature and entry without further notice.

10. Defendant LOCKWOOD waives service of the Final Judgment entered herein upon him and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court in the United States District Court for the District of Massachusetts will constitute notice to him of the terms and conditions of the Final Judgment.

11. Defendant LOCKWOOD agrees that in connection with this action and any related judicial or administrative proceeding commenced by the Commission or to which the Commission is a party, Defendant LOCKWOOD (i) will produce documents and provide interviews at the request of the Commission staff, (ii) will accept service by mail of subpoenas for documents or testimony at depositions, hearings or trials, and (iii) waives the territorial limits on service contained in Fed. R. Civ. P. 45 or applicable local rules for such subpoenas.

12. Defendant LOCKWOOD 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(e)). In compliance with this policy, Defendant LOCKWOOD 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 Order is without factual basis; and (ii) that upon the filing of this Consent, Defendant LOCKWOOD hereby withdraws any papers filed in

this action to the extent that they deny any allegation in the Complaint, including his Answer to the Complaint. If Defendant 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 provision affects Defendant LOCKWOOD's: (i) testimonial obligations; or (ii) right to take legal positions in litigation in which the Commission is not a party.

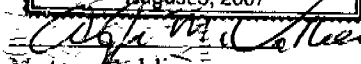
13. Defendant LOCKWOOD agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms and conditions of the Final Judgment.



Robert E. Lockwood

On this 5 day of February, 2001, Robert E. Lockwood, being known to me and who executed the foregoing Consent of Defendant Robert E. Lockwood, personally appeared before me and did duly acknowledge to me that he executed the same.

ANGELA M. VALLEE
Notary Public
Commonwealth of Massachusetts
My Commission Expires
August 9, 2007



Notary Public
My Commission expires

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