

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

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U.S. DISTRICT COURT
DISTRICT OF MASS.

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ERIC E. RESTEINER,
VOLDEMAR A. VONSTRASDAS,
MILES M. HARBUR,
CHARLES G. DYER,
RESOURCE F, LLC, and
BUNKER HILL AVIATION, LLC,

Defendants.

Civil Action No. 01-CV-10637 (PBS)

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~~RECEIVED~~ **FINAL JUDGMENT AGAINST DEFENDANTS
ERIC E. RESTEINER AND VOLDEMAR A. VONSTRASDAS**

Plaintiff Securities and Exchange Commission (the "Commission"), having filed a Complaint for Temporary Restraining Order, Preliminary and Permanent Injunction, Civil Monetary Penalties and Other Relief ("Complaint"); and Defendants Eric E. Resteiner ("Resteiner") and Voldemar A. VonStrasdas ("VonStrasdas") having failed to appear, plead or otherwise defend in this action, and their defaults having been entered, and it appearing that this Court has jurisdiction over the subject matter of this action and over Defendants Resteiner and VonStrasdas; and the Court having considered the Commission's motion for a default judgment, and all the pleadings and evidence submitted in support thereof; and being fully advised in the premises:

Upon review of the evidence submitted by the Commission on the amount of disgorgement, this Court finds that Defendants Resteiner and VonStrasdas, jointly and severally, received ill-gotten gains totaling at least \$22,130,000.

Upon review of the evidence submitted by the Commission on the amount of prejudgment interest calculated on disgorgement, this Court finds that the use of interest rates established quarterly by the Internal Revenue Service for money owed to the United States

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Treasury is reasonable. Further, this Court finds that prejudgment interest on the disgorgement amount of \$3,800,895.26 entered herein against Defendants Resteiner and VonStradas, jointly and severally, totals \$25,930,895.26.

Upon review of the evidence submitted by the Commission on the imposition of a civil penalty, this Court finds that Resteiner's and VonStradas's violations of the federal securities laws involve fraud, and that the violations directly resulted in substantial losses to investors. This Court further finds that, based upon all the facts and circumstances as set forth in the Commission's submissions herein, the civil penalties imposed below against Defendants Resteiner and VonStradas are appropriate.

Upon review of the evidence submitted by the Commission, this Court finds that neither Resteiner nor VonStradas is an infant or incompetent person or in the military service of the United States.

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants Resteiner and VonStradas, their agents, servants, employees, attorneys-in-fact, successors and assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, including by facsimile transmission or overnight delivery service, and each of them, be and hereby are permanently restrained and 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] by, directly or indirectly, using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (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, in connection with the purchase or sale of any security.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Resteiner and VonStradas, their agents, servants, employees, attorneys-in-fact, successors and assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, including by facsimile transmission or overnight delivery service, and each of them, be and hereby are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], by, directly or indirectly, in the offer or sale of any security, using any means or instruments of transportation or communication in interstate commerce, or of the mails:

- (a) to employ any device, scheme or artifice to defraud;
- (b) to obtain any 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 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 FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Resteiner and VonStradas, their officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, including by facsimile transmission or overnight delivery service, and each of them, are permanently restrained and enjoined from violating Sections 5(a) and (c) of the Securities Act [15 U.S.C. §§ 77e(a) and (c)] by, directly or indirectly, in the absence of any applicable exemption:

- (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise, unless a registration statement is in effect as to such security;
- (b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any security for the purpose of sale or for delivery after sale, unless a registration statement is in effect as to such security; or
- (c) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of a prospectus or otherwise, any security, or while a registration statement as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant VonStradas, his agents, servants, employees, attorneys-in-fact, successors and assigns and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by, directly or indirectly, effecting securities transactions for the account of others or engaging in business as a dealer without being registered as a broker-dealer or being associated with a registered broker-dealer for purposes of those transactions or that business.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Resteiner and VonStradas, shall be liable, jointly and severally, for disgorgement of \$22,130,000

representing the ill-gotten gains received by them in connection with the violations described in the Complaint, plus prejudgment interest thereon in the amount of \$3,800,895.26, for a total disgorgement amount of \$25,930,895.26. To satisfy this disgorgement obligation, Defendants Resteiner and VonStradas shall make payment into the Registry of this Court, by cashier's check, certified check, or postal money order, under cover of a letter that identifies the defendant, the name and number of this action and the name of this Court, with a copy to counsel for the Commission in its Boston District Office. The disgorgement payment shall be made within thirty days of entry of this judgment. The disgorged funds and prejudgment interest shall be held by the Registry of this Court in an interest bearing account pending further order of the Court.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 20(d)(2) of the Securities Act [15 U.S.C. § 77t(d)(2)], Defendants Resteiner and VonStradas are each assessed a civil penalty as follows:

Resteiner: \$ 4,400,000
VonStradas: \$ 4,400,000

Payment shall be made within thirty days of entry of this judgment, by cashier's check, certified check or postal money order, payable to the U.S. Treasury, under cover of a letter that identifies the defendant, the name and number of this action and name of this Court, with a copy to counsel for the Commission in its Boston District Office.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending full payment by Defendants Resteiner and VonStradas of the amounts owed under this Final Judgment:

- a. Defendants Resteiner and VonStradas, as well as their agents, servants, employees, successors, attorneys, and those persons in active concert or

participation with them who receive actual notice of this Final Judgment by personal service or otherwise, including by facsimile transmission or overnight delivery service, and each of them, shall continue to hold and retain within their direct or indirect control, and otherwise prevent any withdrawal, sale, transfer, alienation, pledge, encumbrance, assignment, dissipation, concealment, or other disposition whatsoever (with the exception of transferring assets to either the Registry of the Court or the U.S. Treasury) of any funds or other assets of Defendants Resteiner and VonStradas presently held by them (or which they accumulate after this Final Judgment), under their control, or over which they exercise actual or apparent investment or other authority (including signatory authority), in whatever form such assets may presently exist and wherever located;

- b. any financial or brokerage institution or other person or entity holding any funds or other assets in the name, for the benefit, or under the direct or indirect control of Defendants Resteiner and VonStradas, and which receives actual notice of this Final Judgment by personal service or otherwise, including by facsimile transmission or overnight delivery service, and each of them, shall continue to hold and retain within its control and prohibit the withdrawal, removal, transfer, or other disposition of any such funds or other assets (with the exception of transferring assets to either the Registry of the Court or the U.S. Treasury).

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including the implementation and enforcement of this Final Judgment.

IX.

There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

DONE AND ORDERED at Boston this 19 day of AUGUST, 2002.


THE HONORABLE PATTI B. SARIS
UNITED STATES DISTRICT JUDGE