

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,
450 Fifth Street, N.W.
Washington, D.C. 20549

Plaintiff,

v.

LEONID SHPILSKY, ET AL.,

Defendants.

Civil Action No. 01 2298

FILED

NOV 9 2001

WHITTINGTON, CLEARY
U.S. DISTRICT COURT

FINAL JUDGMENT AS TO DEFENDANT LEONID SHPILSKY

Defendant Leonid Shpilsky ("Defendant") having (i) entered a general appearance; (ii) consented to the Court's jurisdiction and venue over Defendant and the subject matter of this action; (iii) without admitting or denying the allegations of the Complaint, consented to the entry of this Judgment without further notice; (iv) waived findings of fact and conclusions of law; and (v) waived any right to appeal from this Judgment, it is now

ORDERED, ADJUDGED AND DECREED that Defendant, and Defendant's officers, agents, servants, employees and attorneys, and those persons in active concert or participation with them who receive actual notice of this Judgment, are permanently restrained and enjoined from:

- a) violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], by, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, directly or indirectly, (1) employing any device, scheme or artifice to defraud, (2) obtaining money or property by

(10)

#3

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 the light of the circumstances under which they were made, not misleading, or (3) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon any purchaser;

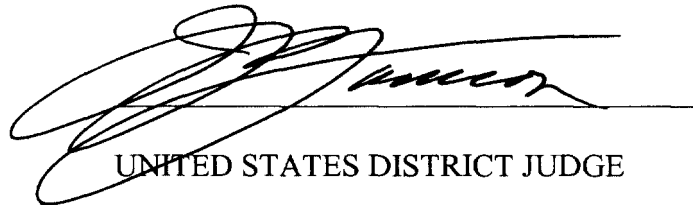
(b) violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by, directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security, (1) employing any device, scheme or artifice to defraud, (2) making any untrue statement of a material fact or omitting 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) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

ORDERED, ADJUDGED AND DECREED that Defendant pay \$12,000, which represents the unwaived portion of the disgorgement owed of \$24,394 plus prejudgment interest of \$5,040. Defendant shall satisfy this obligation by paying the \$12,000 within five business days to the entities listed below, together with a letter satisfactory to the staff of the plaintiff Securities and Exchange Commission specifying that payment is made pursuant to this Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the SEC's attorneys of record in this action. Defendant shall pay \$12,000 as follows: nine thousand nine hundred fifty four dollars (\$9,954) to Knight Securities, LLP, 525

Washington Boulevard, Jersey City, New Jersey, 07310; one thousand nine hundred nineteen dollars (\$1,919) to Herzog, Heine, Geduld, Inc., 525 Washington Boulevard – 10th Floor, Jersey City, NJ 07310; one hundred twenty two dollars (\$122) to Neuberger Berman, L.L.C., 605 Third Avenue, New York, NY 10158-3698; and five dollars (\$5) to Hill, Thompson, Magid & Co., Inc., 15 Exchange Place, 8th Floor, Jersey City, NJ 07302. By making this payment, Defendant relinquishes all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Defendant.

There being no just reason for delay, pursuant to Fed. R. Civ. P. 54(b), the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated: *November 9* 2001



UNITED STATES DISTRICT JUDGE