

COPY

~~COPY FOR JUDGE~~

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.01-9111 CIV-HURLEY/LYNCH

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Genesis Leasing IX, Inc.,
Kadie Corp.,
George Robert Hoffman,
Lisa Klinger Paonessa,
Brian Dominick Paonessa,
Rainwater Investment Group
Holdings XI LLC,
Excalibur Investment Group
PAIF II, Inc.,
Excalibur Investment Group
Holdings, Inc.,
Excalibur Investment Group, Inc.,
Trident/KD Investment Group, Inc.,
and Endeavor Investment Group, Inc.,

Defendants.

FILED by *[Signature]* D.C.
DEC - 9 2002
CLARENCE MADDOX
CLERK U.S. DIST. CT.
S.D. OF FLA. - W.P.B.

JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AS TO DEFENDANTS
HOFFMAN AND RAINWATER INVESTMENT GROUP HOLDINGS XI LLC

Plaintiff, Securities and Exchange Commission ("Commission"),
having filed its complaint in this matter against defendants
Genesis Leasing IX, Inc.; Kadie Corp.; George Robert Hoffman
("Hoffman"); Lisa Klinger Paonessa; Brian Dominick Paonessa;
Rainwater Investment Group Holdings XI LLC ("Rainwater XI");
Excalibur Investment Group PAIF II, Inc.; Excalibur Investment

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Group Holdings, Inc.; Excalibur Investment Group, Inc.; Trident/KD Investment Group, Inc.; and Endeavor Investment Group, Inc., seeking injunctive and other relief, and defendants Hoffman and Rainwater XI having entered general appearances, admitted the jurisdiction of this court over them and over the subject matter of this action, waived entry of findings of fact and conclusions of law pursuant to Rules 52 and 65 of the Federal Rules of Civil Procedure with respect to the relief granted in this order, and without admitting or denying any of the allegations of the complaint having consented to the entry of this order, it is hereby,

I.

ORDERED that defendants Hoffman and Rainwater XI LLC, their agents, servants, employees, attorneys and those persons in active concert or participation with them, in connection with the purchase or sale of securities, or in connection with tender offers, by use of any means or instrumentalities of interstate commerce, or by the mails or any facility of any national securities exchange, be, and they hereby are, permanently enjoined from, directly or indirectly:

- (1) employing any device, scheme or artifice to defraud;
- (2) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person or, in connection with a tender offer,

which constitutes a fraudulent, deceptive or manipulative practice; or

(3) 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, in violation of Sections 10(b) and 14(e) of the Securities Exchange Act of 1934, 15 U.S.C. 78j(b) and 15 U.S.C. 78n(e), and Rule 10b-5, 17 C.F.R. 240.10b-5.

II.

IT IS FURTHER ORDERED that defendant Hoffman pay disgorgement in the amount of \$58,777, representing his direct and indirect gains from the conduct alleged in the Complaint, plus \$8,777 in pre-judgment interest thereon computed at the IRS rate on delinquent taxes, provided that based upon defendant Hoffman's Summary Financial Disclosure Statement, submitted to the Commission, payment of the disgorgement and pre-judgment interest thereon is waived. This waiver is contingent upon the accuracy and completeness of Hoffman's Summary Financial Disclosure Statement. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant Hoffman's representations in its Financial Disclosure Statement 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 defendant Hoffman, petition this Court for an order requiring defendant Hoffman to pay the disgorgement and pre-judgment and post-judgment interest thereon. In connection with any such petition, the only issue shall be whether the financial information provided by defendant Hoffman was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering defendant Hoffman to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Defendant Hoffman may not, by way of defense to such petition, challenge the validity of this Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, the amount of disgorgement and interest, or assert that disgorgement should not be ordered. Any such payment will be reduced by any disgorgement previously paid by Rainwater in this matter.

III.

IT IS FURTHER ORDERED THAT based upon defendant Hoffman's representations in his Summary Financial Disclosure Statement

submitted to the Commission, the Court is not ordering him to pay a civil penalty pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. 78u(d). The determination not to impose a civil penalty is contingent upon the accuracy and completeness of Hoffman's Summary Financial Disclosure Statement. If at any time following the entry of this Final Judgment the Commission obtains information indicating that defendant Hoffman's Summary Financial Disclosure Statement concerning his assets, income, liabilities, or net worth was 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 defendant Hoffman, petition this Court for an order imposing a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by defendant Hoffman 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 Hoffman to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Defendant Hoffman may not, by way of defense to such petition, challenge the validity of this Consent or the Final

Judgment, contest the allegations in the Complaint filed by the Commission, or assert that payment of a civil penalty should not be ordered.

IV.

IT IS FURTHER ORDERED that defendant Rainwater XI pay disgorgement in the amount of \$58,777, representing its direct and indirect gains from the conduct alleged in the Complaint, plus \$8,777 in pre-judgment interest thereon computed at the IRS rate on delinquent taxes, provided that based upon defendant Rainwater XI's Sworn Financial Statement, submitted to the Commission, Rainwater will within 30 days of this Judgment tender for sale and sell in an arms length transaction the partnership units listed on its financial disclosure form submitted to the Commission, specifically 500 units of a Polaris partnership and 2,100 units of a Uniprop partnership. The transfer of units may be completed at the time that the general partners of the partnerships shall effectuate transfer of the units. Any proceeds received on the sales will be used to pay the persons who tendered the units any sums owed to them, which sums are listed on the financial statement as totaling \$17,079. Any remaining funds shall be tendered to the registry of the Court for further distribution as the Court shall order. Payment of the remaining disgorgement and pre-judgment interest thereon is waived. This waiver is contingent upon the accuracy and completeness of

Rainwater XI's Financial Statement. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant Rainwater XI's representations in its Financial Statement concerning its 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 defendant Rainwater XI, petition this Court for an order requiring defendant Rainwater XI to pay the disgorgement and pre-judgment and post-judgment interest thereon. In connection with any such petition, the only issue shall be whether the financial information provided by defendant Rainwater XI was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering defendant Rainwater XI to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Defendant Rainwater XI may not, by way of defense to such petition, challenge the validity of this Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, the amount of disgorgement and interest, or assert that disgorgement should not be ordered. Any

such payment will be reduced by any disgorgement previously paid by Hoffman in this matter.

V.

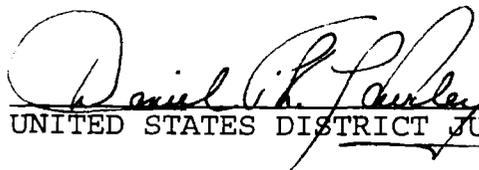
IT IS FURTHER ORDERED THAT based upon defendant Rainwater XI's representations in its Sworn Financial Statement submitted to the Commission, the Court is not ordering it to pay a civil penalty pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. 78u(d). The determination not to impose a civil penalty is contingent upon the accuracy and completeness of Rainwater XI's Financial Statement. If at any time following the entry of this Final Judgment the Commission obtains information indicating that defendant Rainwater XI's Financial Statement concerning his assets, income, liabilities, or net worth was 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 defendant Rainwater XI, petition this Court for an order imposing a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by defendant Rainwater XI 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 Rainwater XI to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Defendant Rainwater XI may not, by way of defense to such petition, challenge the validity of this Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, or assert that payment of a civil penalty should not be ordered.

VI.

IT IS FURTHER ORDERED that this Court will retain jurisdiction over this matter and defendants Hoffman and Rainwater XI for all purposes and will order other and further relief that this Court deems appropriate under the circumstances.

Done and ordered at 1:57 o'clock P. m. this 7th day of December, 2002 at West Palm Beach Florida.


UNITED STATES DISTRICT JUDGE