

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS,
EASTERN DIVISION

U.S. SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

THOMAS M. GIBSON, ET AL.

DEFENDANTS.

Civil Action No. 1:02-CV-07082
(DHC/IHL)

DOCKETED
MAY 2 2004

FINAL JUDGMENT AS TO DEFENDANT ESTATE OF
HARRY C. KRAUSE AND RELIEF DEFENDANTS

The U.S. Securities and Exchange Commission (“Commission”) filed the Complaint in this action. Defendant, the Estate of Harry C. Krause and Relief Defendants, J.R. Krause, Georgia Krause, and Elizabeth Kallal (collectively the “Krause Defendants”), have entered a general appearance, served an answer, and consented to the jurisdiction of this Court over them and over the subject matter of this action. The Krause Defendants now consent to entry of this Final Judgment without admitting or denying the allegations of the Complaint except as to jurisdiction, referenced above, and in their Answer to the Commission’s Complaint. The Krause Defendants have further waived findings of fact and conclusions of law and any right to appeal from this Final Judgment:

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I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Krause Defendants are liable for disgorgement in the amount of \$150,000.00, representing a portion of the losses avoided as a result of the conduct alleged in the Complaint. The Krause Defendants must satisfy this obligation by paying \$150,000.00 within ten business days of the entry of this Order, to the Clerk of this Court. The Krause Defendants must pay this amount by a certified check. Together with this check, the Krause Defendants must send the Clerk of the Court a cover letter, which will identify them as the payer, the title and civil action number of this action, and that they are making this payment pursuant to a Final Judgment of this Court. They must simultaneously transmit photocopies of that payment and letter to the Commission's counsel in this action. The Krause Defendants acknowledge that, by making this payment, they are relinquishing any and all legal and equitable right, title, and interest in their payment in satisfaction of this Final Judgment and that they have given up any and all rights to seek return of these funds.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"), where the Court directs the Clerk to hold these funds, together with any interest and income earned thereon (collectively, the "Fund"), until the Court issues a further order. In accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Court directs the Clerk, without further order, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed the fee that the Judicial Conference of the United States has authorized.

The Commission may propose a plan to distribute the Fund subject to the Court's approval.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent, which the Krause Defendants have entered into with the Commission, is incorporated herein with the same force and effect as if fully set forth herein, and that Krause Defendants must comply with all of the undertakings and agreements set forth therein.

III.

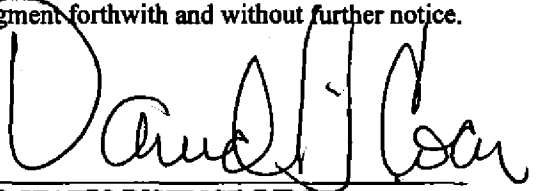
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of

this matter for the purposes of enforcing the terms of this Final Judgment.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Court finds that no good reason exists to delay the entry of this Order. Accordingly, the Court orders the Clerk of this Court to enter this Final Judgment forthwith and without further notice.

Dated: May 7, 2004


UNITED STATES DISTRICT JUDGE