

of this action; consented to the entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Grass and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently enjoined and restrained from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], by using 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. 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.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Grass and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently enjoined and restrained from violating, directly or indirectly, Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], 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:

1. to employ any device, scheme, or artifice to defraud;
2. to obtain money or property by means of any untrue statement of 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
3. 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 Grass and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are permanently enjoined and restrained from violating, directly or indirectly, Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)], by knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)], and from violating, directly or indirectly, Rule 13b2-1 [17 C.F.R. § 240.13b2-1] by 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. § 78(b)(2)(A)].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Grass, while a director or officer of an issuer, and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are permanently enjoined and restrained from violating, directly or indirectly,

Exchange Act Rule 13b2-2 [17 C.F.R. § 240.13b2-2], by making or causing to be made a materially false or misleading statement, or by omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with (1) any audit or examination of the financial statements of the issuer required to be made pursuant to Commission regulations, or (2) the preparation or filing of any document or report required to be filed with the Commission.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Grass, and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are permanently enjoined and restrained, directly or indirectly, from controlling any person who violates Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20 and 13a-1 [17 C.F.R. 240 §§ 240.12b-20 and 240.13a-1], by acting or omitting to act if such act or omission would result or results in such issuer failing to file with the Commission such annual reports as the Commission has prescribed or failing to include, in addition to the information expressly required to be included in such

reports, such further material information as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading, unless Grass acts in good faith and does not directly or indirectly induce the act or omission constituting the violation.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Grass, and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are permanently enjoined and restrained, directly or indirectly, from controlling any person who violates Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20 and 13a-11 [17 C.F.R. 240 §§ 240.12b-20 and 240.13a-11], by acting or omitting to act if such act or omission would result or results in such issuer failing to file with the Commission such current reports on Form 8-K as the Commission has prescribed or failing to include, in addition to the information expressly required to be included in such reports, such further material information as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading, unless Grass acts in good faith and does not directly or indirectly induce the act or omission constituting the violation.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Grass, and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are permanently enjoined and restrained, directly or indirectly, from controlling any person who violates Section 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Rule 14a-9(a) [17 C.F.R. 240 § 240.14a-9(a)], by directly or indirectly soliciting proxies for its annual meetings based on statements that, at the time and in the light of the circumstances under which they were made, are false and misleading with respect to material facts, or which omit to state material facts necessary in order to make the statements made therein not false or misleading, unless Grass acts in good faith and does not directly or indirectly induce the act or omission constituting the violation.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Grass, and Grass's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are permanently enjoined and restrained, directly or indirectly, from controlling any person who violates

13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)], by acting or omitting to act if such act or omission would result or results in such issuer failing to (a) 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; or (b) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) 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; (iii) access to reports is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences, unless Grass acts in good faith and does not directly or indirectly induce the act or omission constituting the violation.

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Section 20(e) of the Securities Act [15 U.S.C. § 77t(e)] and Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Grass is prohibited from

serving or acting as an officer or director of any issuer that has a class of securities registered with the Commission pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78I] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commission's claim for disgorgement is satisfied by Grass' civil forfeiture of \$3 million in connection with his guilty plea in United States v. Martin Grass, Cr. No. 1:CR-02-146 (M.D. Pa.), and that no civil money penalty shall be imposed in view of such forfeiture.

XI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Grass shall comply with all of the undertakings and agreements set forth therein.

XI.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is directed to enter this Final Judgment forthwith and without further notice.

Dated: May 27, 2004


UNITED STATES DISTRICT JUDGE

NOTIFICATION OF ENTRY OF JUDGMENT

The parties entitled to be notified of the entry hereof and the names and addresses of their respective attorneys, if any, are:

Plaintiff:

Securities and Exchange Commission
Northeast Regional Office
Attn: Caren Nelson Pennington, Esq.
Assistant Regional Director
233 Broadway
New York, NY 10279
(646) 428-1845
(646) 428-1973 (fax)

Defendant:

Martin L. Grass
By: William H. Jeffress, Jr., Esq.
Baker Botts LLP
1299 Pennsylvania Avenue NW
Washington D.C. 20004-2400
(202) 639-7751
(202) 639-7832 (fax)

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**FRANK M. BERGONZI,
MARTIN L. GRASS, and
FRANKLIN C. BROWN,**

Defendants.

**CIVIL ACTION
No. 1:CV 02-1084
(Rambo, J.)**

CONSENT OF MARTIN L. GRASS

1. Defendant Martin L. Grass ("Grass") acknowledges having been served with the complaint in this action, enters a general appearance, and admits the Court's jurisdiction over him and over the subject matter of this action.

2. Without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction, which Grass admits), Grass hereby consents to the entry of the final Judgment in the form attached hereto (the "Final Judgment") and incorporated by reference herein, which, among other things:

- (a) permanently restrains and enjoins Grass from violation of Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)], Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b), 78m(b)(5)] and Rules 10b-5, 13b2-1, and 13b2-2 thereunder [17 C.F.R. §§ 240.10b-5, 240.13b2-1 and 240.13b2-2], and, as a controlling person, Sections 13(a), 13(b)(2), and 14(a) of the Exchange Act [15 U.S.C. §§ 78m(a), 78m(b)(2), and 78n(a)] and Rules 12b-20, 13a-1, 13a-11, and 14a-9(a) thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.14a-9(a)]; and
- (b) prohibits Grass from serving or acting as an officer or director of any issuer that has a class of securities registered with the Commission pursuant to Section 12 of the Exchange

Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

3. Grass waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.
4. Grass waives the right, if any, to appeal from the entry of the Final Judgment.
5. Grass enters into this Consent voluntarily and represents that no threats, offers, promises, or inducements of any kind have been made by the Commission or any member, officer, employees, agent, or representative of the Commission to induce him to enter into this Consent.
6. Grass agrees that this Consent shall be incorporated into the Final Judgment with the same force and effect as if fully set forth therein.
7. Grass 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 hereby waives any objection based thereon.
8. Grass waives service of the Final Judgment and agrees that entry of the Final Judgment by the Court and filing with the Clerk of the Court will constitute notice to Grass of its terms and conditions. Grass further agrees to provide counsel for the Commission, within thirty days after the Final Judgment is

filed with the Clerk of the Court, with an affidavit or declaration stating that Grass has received and read a copy of the Final Judgment.

9. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims asserted against Grass in this civil proceeding. Grass acknowledges that no promise or representation has been made by the Commission or any member, officer, employee, agent, or representative of the Commission with regard to any criminal liability that may have arisen or may arise from the facts underlying this action or immunity from any such criminal liability. Grass waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Grass acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding.

10. Grass 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 allegations in the complaint or order for proceedings," 17 C.F.R. §202.5. In compliance with this policy, Grass 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 complaint is without factual basis; and (ii) that upon the filing of this Consent, Grass hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Grass 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 Grass's: (i) testimonial obligations; or (ii) right to take legal positions in litigation in which the Commission is not a party.

11. Grass hereby waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other provision of law to pursue reimbursement of attorney's fees or other fees, expenses, or costs expended by Grass to defend against this action. For these purposes, Grass agrees that Grass is not the prevailing party in this action since the parties have reached a good faith settlement.

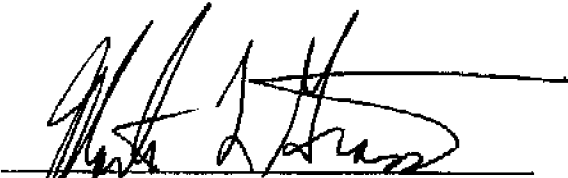
12. In connection with this action and any related judicial or administrative proceeding commenced by the Commission or to which the Commission is a party, Grass (i) agrees to appear and be interviewed by Commission staff at such times and places as the staff requests upon reasonable notice; (ii) will accept service by mail or facsimile transmission of notices or subpoenas issued by the Commission for documents or testimony at depositions, hearing, or trials, or in connection with any related investigation by Commission staff; (iii) appoints Grass' undersigned attorney as agent to receive service of such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives the territorial limits on service contained in Rule 45 of the Federal Rules of Civil Procedure and applicable local rules, provided that the party requesting the testimony reimburses Grass' travel, lodging, and subsistence expenses at the then-prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction over Grass in any United States District Court for purposes of enforcing any such subpoena.

13. Grass agrees that the Commission may present the Final Judgment to the Court for signature and entry without further notice.

14. Grass agrees that this Court shall retain jurisdiction over this matter for the purpose of enforcing the terms of the Final Judgment.

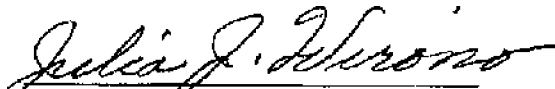
Dated: November 27, 2003

By:

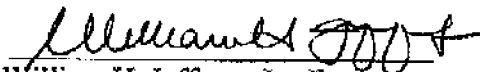

MARTIN L. GRASS

District of Columbia) ss.

On this 27th day of November, 2003, Martin L. Grass, a person known to me, personally appeared before me and acknowledged executing the foregoing Consent.


NOTARY PUBLIC
Commission expires:
JULIA J. WIRONO
District of Columbia
My Commission Expires
January 1, 2007

Approved as to form:


William H. Jeffress, Jr., Esq.
Baker Botts LLP
1299 Pennsylvania Avenue
Washington DC 20004-2400
Attorney for Martin L. Grass