

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

**SECURITIES AND EXCHANGE COMMISSION,**

Plaintiff,

v.

**ANTHONY CHRYSIKOS and**

**MICHAEL MARTELLO,**

Defendants, and

**MARIE MARTELLO,**

Relief Defendant.

Civil Action No.: 02 Civ. 1825 (HB/DF)

**JUDGMENT OF PERMANENT INJUNCTION AGAINST**  
**DEFENDANT MICHAEL MARTELLO**

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint in this matter, and defendant MICHAEL MARTELLO, in the Consent of MICHAEL MARTELLO ("Consent"), having admitted service of the Summons and Complaint; having admitted jurisdiction of this Court over him and over the subject matter of this action; having waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and, without admitting or denying the allegations of the Complaint, except as to jurisdiction, which he admits, having consented to entry of this Judgment of Permanent Injunction And Disgorgement, and it appearing that this Court has jurisdiction over Martello and the subject matter hereof, and this Court being fully advised in the premises:

I.

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Martello, his agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. §78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. §240.10b-5], 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, by

(a) employing any device, scheme or artifice to defraud,

(b) 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

(c) engaging 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 Martello, his agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined, in the offer or sale of securities, from violating Section 14(e) of the Exchange Act [15 U.S.C. § 78n(e)] and Rule 14e-3 [17 C.F.R. § 240.14e-3] thereunder, in connection with any tender offer or request or invitation for tenders, by engaging in any fraudulent,

deceptive, or manipulative act or practice, by:

- (1) purchasing or selling or causing to be purchased or sold the securities sought or to be sought in a tender offer, after any person has taken a substantial step or steps to commence, or has commenced, such tender offer (the "offering person"), while in possession of material information relating to such tender offer that they know or have reason to know is nonpublic and know or have reason to know was acquired directly or indirectly from the offering person, the issuer of the securities sought or to be sought by such tender offer, or any person acting on behalf of the offering person or such issuer, unless within a reasonable time prior to any such purchase or sale such information and its source are publicly disclosed by press release or otherwise, or
- (2) communicating material, nonpublic information relating to a tender offer, which information they know or have reason to know is nonpublic and know or have reason to know was acquired directly or indirectly from the offering person, the issuer of the securities sought or to be sought by such tender offer, or any person acting on behalf of the offering person or such issuer, to any person under circumstances in which it is reasonably foreseeable that such communication is likely to result in the purchase or sale of securities in the manner described in Paragraph II (1) above.

### III.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that the Consent of Martello filed herein be, and the same hereby is, incorporated in this Judgment by this reference with the same force and effect as if fully set forth herein and that Martello, his agents,

accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, shall comply in all respects with the terms of the Consent.

**IV.**

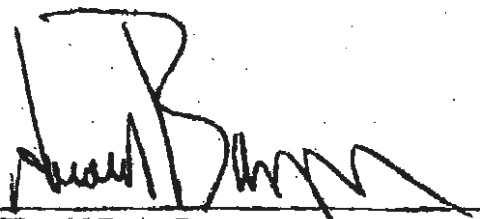
**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Martello is jointly and severally liable with defendant Anthony Khryzikos to pay disgorgement in this case and Martello shall pay disgorgement, including interest, in the amount of \$167,604.53, consisting of principle of \$157,259.09 and interest of \$10,345.44, plus interest (and less administrative charges) that has accumulated since this sum was deposited into the Registry of this Court. Prior payments of the above sum to the Registry of this Court shall constitute satisfaction of payment of disgorgement required in the instant matter.

**V.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that this Court shall retain jurisdiction of this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to the relief requested by the Commission in this action.

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**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that there being no just reason for delay, the Clerk of the Court is ordered to enter this Judgment of Permanent Injunction And Disgorgement.



Harold Baer, Jr.  
United States District Judge

DATED: New York, New York  
~~September 2002~~  
November 5, 2002

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THIS DOCUMENT WAS ENTERED  
ON THE DOCKET

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