

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

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SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

JAY S. LAVESON

Defendant.

U.S. DISTRICT COURT  
DISTRICT OF MASS.

CIVIL ACTION  
NO.

02-11336-3

**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER  
EQUITABLE RELIEF AGAINST DEFENDANT JAY S. LAVESON**

Plaintiff Securities and Exchange Commission ("Commission"), having filed a Complaint, and Defendant Jay S. Laveson ("Laveson"), having entered a general appearance in this action; having, in the annexed Consent of Defendant Jay S. Laveson ("Consent"), admitted to the jurisdiction of the 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 Fed. R. Civ. P. 52; having, without admitting or denying the allegations of the Complaint, except as to jurisdiction, which he admits, consented to the entry of this Final Judgment of Permanent Injunction and Other Equitable Relief Against Defendant Jay S. Laveson ("Final Judgment") permanently restraining and enjoining Defendant Laveson from, directly or indirectly, violating Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder, ordering Defendant Laveson to pay disgorgement in the amount of \$128,524.26, representing profits and losses avoided as a result of the conduct alleged in the

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Complaint; having waived the filing of an Answer to the Complaint; having waived his right to appeal from this Final Judgment; having waived 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 Defendant Laveson to defend against this action and having agreed, for these purposes, that he is not the prevailing party in this action since the parties have reached a good faith settlement; and it further appearing that this Court has jurisdiction over Defendant Laveson and the subject matter hereof, and the Court being fully advised in the premises:

**I.**

**IT IS HEREBY ORDERED** that Defendant Laveson, his agents, servants, employees, attorneys, successors and assigns, and all persons in active concert or participation with them, and each of them who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] directly or indirectly, in the offer or sale of securities, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails:

- (A) employing any devices, schemes, or artifices to defraud;
- (B) obtaining money or property by means of untrue statements of material fact or omissions to state material facts 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 transactions, practices or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

**II.**

**IT IS HEREBY ORDERED** that Defendant Laveson, his agents, servants, employees, attorneys, successors and assigns, and all persons in active concert or participation with them, and each of them who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently enjoined from 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], directly or indirectly, by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (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,

in connection with the purchase or sale of any security.

**III.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Laveson pay disgorgement in the amount of \$128,524.26, representing profits and losses avoided as a result of the conduct alleged in the Complaint, together with pre-judgment interest thereon in the amount of \$35,421. Based upon Defendant Laveson's sworn representations in his Statement of Financial Condition dated October 23, 2001 ("Statement of Financial Condition") and other documents submitted to the Commission, payment of \$35,421 pre-judgment interest is waived,

contingent upon the accuracy and completeness of his Statement of Financial Condition.

#### IV.

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that based on Defendant Laveson's sworn representations in his Statement of Financial Condition and other documents submitted to the Commission, the Court is not ordering him to pay a civil penalty. The determination not to impose a civil penalty and to waive payment of pre-judgment interest is contingent upon the accuracy and completeness of Laveson's Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant Laveson's representations to the Commission 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 Laveson, petition the Court for an order requiring Defendant Laveson to pay the unpaid portion of the disgorgement, if any, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant Laveson 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 Laveson to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant Laveson may not, by way of defense to such petition: (1) challenge the validity of this Consent or the Final Judgment; (2) contest the allegations in the Complaint filed by the

Commission; (3) assert that payment of pre-judgment and post-judgment interest, or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

**V.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that payment of such disgorgement shall be (i) made within 30 days of entry of this judgment; (ii) by cashier's check, certified check, bank money order, or U.S. postal money order; (iii) made payable to the U.S. Securities and Exchange Commission; (iv) mailed or hand-delivered to the Comptroller, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; (v) with a transmittal letter specifying that the payment is made pursuant to the judgment entered against Defendant Laveson in this action, with a copy of the payment and transmittal letter to Carlos Costa-Rodrigues, senior counsel for the Commission, at its Boston District Office located at 73 Tremont Street, Boston, Massachusetts 02108.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that the annexed Consent of Jay Laveson be, and the same hereby is, incorporated by reference herein with the same force and effect as if fully set forth herein.

**VII.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Court shall retain jurisdiction over Defendant Laveson as a party to this matter for all purposes, including implementing and enforcing the terms and conditions of this Final Judgment.

**VIII.**

There being no just reason for delay, the Clerk of the Court is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

DONE AND ORDERED at Boston, Massachusetts this 11<sup>th</sup> day of July, 2002.

  
UNITED STATES DISTRICT JUDGE