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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

02-72282

SECURITIES AND EXCHANGE
COMMISSION,

AVERN COHN

Plaintiff,

Civil Action No.

vs.

MAGISTRATE JUDGE SCHEER

JOSEPHINE ANNE PAGANO,

Defendant.

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U.S. DISTRICT COURT

FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF

Plaintiff Securities and Exchange Commission ("Commission"), having filed its Complaint herein; defendant Josephine Anne Pagano ("Pagano") having admitted the in personam jurisdiction of this Court over her and the jurisdiction of this Court over the subject matter of the action; plaintiff Commission and defendant having waived entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure and having agreed to the entry of this Final Judgment of Permanent Injunctive and Other Relief ("Final Judgment"), without trial, argument, or adjudication of any issue of law or fact; it appearing that this Court has jurisdiction over the parties and the subject matter hereof; and the Court being fully advised in the premises:

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I.

PERMANENT INJUNCTIVE RELIEF --

SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that defendant Pagano, her agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with her who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, in connection with the purchase or sale of any security by the use of any means or instrumentality of interstate commerce or of the mails or any facility of any national securities exchange be and hereby are permanently enjoined from, directly or indirectly:

1. employing any device, scheme, or artifice to defraud;
2. 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; or
3. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Exchange Act [15 U.S.C. 78j(b)] and Rule 10b-5 [17 C.F.R. 240.10b-5] thereunder.

II.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED that Defendant Pagano pay disgorgement in the amount of \$20,040.00 and accumulated prejudgment interest on \$20,040.00 (such prejudgment interest totaling \$4,568.56 as of July, 2001).

III.

PENALTIES

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Pagano shall pay to the United States Treasury a civil penalty under Section 21A of the Exchange Act [15 U.S.C. 78u-1] in the amount of \$20,040;

IV.

PAYMENT INSTRUCTIONS

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Pagano shall: (1) pay the \$20,040 in disgorgement referred to in Section II no later than 30 days from the date of entry of this Order; (2) pay the \$4,568.56 in pre-judgment interest referred to in Section II within 180 days from the date of entry of this Order; (3) pay at least \$10,020 of the civil penalties referred to in Section III plus post-judgment interest thereon within 180 days from the date of entry of this Order; and (4) pay the remainder of the civil penalties referred to in Section III plus post-judgment interest thereon within 360 days from the date of entry of this Order.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that payment of disgorgement, prejudgment interest thereon, civil penalty, and post-judgment interest shall be: (1) made by United States postal money order, certified check, bank cashier's check, or bank money

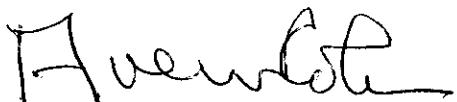
order; (2) made payable to the Securities and Exchange Commission; (3) transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549; and (4) submitted under cover letter that specifies the defendant in this proceeding, and the Commission's case number (FL-2519), a copy of which cover letter and money order or check shall be sent to Harold E. Schimkat, Securities and Exchange Commission, Southeast Regional Office, 1401 Brickell Avenue, Suite 200, Miami, Florida 33131.

V.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter and Defendant Pagano in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

Dated this 6 day of June, 2002.



UNITED STATES DISTRICT JUDGE

Copies to:

Ivan P. Harris
Assistant Regional Director
Securities and Exchange Commission
1401 Brickell Avenue, Suite 200
Miami, FL 33131

Craig L. John, Esq.
Dykema Gossett, PLLC
39577 Woodward Avenue, Suite 300
Bloomfield Hills, Michigan 48304-2820
Counsel for Josephine Anne Pagano