

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 02-80331-CIV-MIDDLEBROOKS

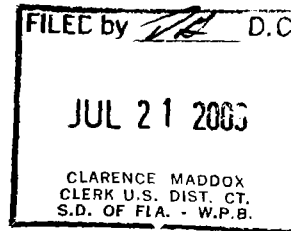
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

THE GAMING FACTORY, INC.,  
A PANAMANIAN CORPORATION,  
THE GAMING FACTORY, INC.,  
A FLORIDA CORPORATION,  
RICHARD ONORATO AND  
VICTOR SELENOW,

Defendants.



**FINAL JUDGMENT SETTING AMOUNT OF DISGORGEMENT  
AS TO DEFENDANTS THE GAMING FACTORY, INC., A PANAMANIAN  
CORPORATION, THE GAMING FACTORY, INC., A FLORIDA CORPORATION,  
AND RICHARD ONORATO AND CIVIL PENALTIES AS TO RICHARD ONORATO**

Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against, among others, Defendants The Gaming Factory, Inc., a Panamanian Corporation ("TGF Panama"), The Gaming Factory, Inc., a Florida Corporation ("TGF Florida"), and Richard Onorato ("Onorato")(collectively "Defendants"). In its Complaint, the Commission sought a temporary restraining order, and preliminary and permanent injunctions to prohibit violations by Defendants of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5, thereunder. The Commission also sought other relief against TGF Panama, TGF Florida and Onorato in the form of accountings, disgorgement, records preservation, expedited discovery, an

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order temporarily freezing assets, appointment of a receiver over TGF Panama and TGF Florida and an order imposing civil penalties as to Onorato.

On April 15, 2002, this Court entered a Temporary Restraining Order, which temporarily restrained and enjoined Defendants from violations of the above-mentioned provisions of the federal securities laws; temporarily froze Defendants' assets; granted the Commission accountings, expedited discovery, and prohibited the concealing or destruction of books, records and other documents. The Court also appointed a Receiver over TGF Panama and TGF Florida. Shortly thereafter, preliminary injunctions were entered against Defendants pursuant to their consent which kept in force the relief granted on April 15, 2002.

On July 11, 2002, this Court entered a Final Judgment of Permanent Injunction against Onorato, by consent, which was amended on June 9, 2003, permanently enjoining him from further violations of the above-mentioned provisions of the federal securities laws and establishing the Commission's entitlement to civil penalties and disgorgement with the amount thereof to be determined at a later date, without an evidentiary hearing, upon the Commission's motion. On May 27, 2003, the Court entered a Final Judgment of Permanent Injunction against TGF Panama and TGF Florida, pursuant to the Court-appointed Receiver's consent, enjoining them from further violations of the above-mentioned provisions of the federal securities laws and establishing the Commission's entitlement to disgorgement.

The Court having considered the SEC's Motion to Set Disgorgement as to Defendants TGF Panama, TGF Florida and Onorato and civil penalties as to Onorato, Defendants' response thereto and the record in this case, it is:

I.

**DISGORGEMENT**

**ORDERED, ADJUDGED AND DECREED** that TGF Panama, TGF Florida and Onorato are jointly and severally liable for disgorgement in the amount of \$ 1,986,750.00 representing their gains from the conduct alleged in the Complaint, plus prejudgment interest thereon in the amount of \$ 113,352.66. Defendants shall pay the foregoing disgorgement within ten days to the Clerk of Court for the Southern District of Florida. By making such a payment, Defendants relinquish all legal and equitable right, title and interest to such funds and no such funds shall be returned to Defendants.

The payment shall be submitted with a cover letter identifying the Defendant's name, the title and civil action number. Defendants shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel of record in this action. The Clerk of Court shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") until further order of the Court.

II.

**PENALTIES**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Onorato shall pay civil penalties within ten days to the U.S. Treasury in the amount of \$ 120,000 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), in connection with the activities described in the Commission's Complaint. The payment of the civil penalty ordered by this Judgment 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 Office of Financial Management, Securities and Exchange Commission, 450 Fifth Street, N.W., Stop 0-3, Washington, D.C. 20549; and (4) submitted under cover letter that specifies

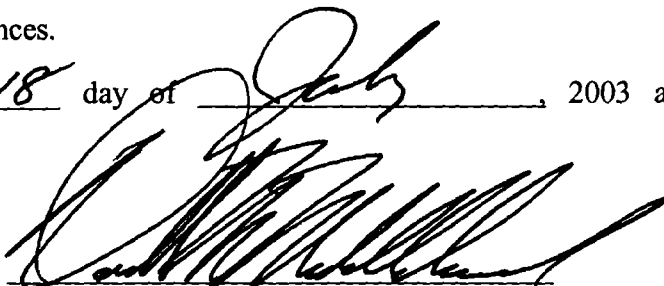
the defendant in this proceeding, and the Commission's case number (FL-02821), a copy of which cover letter and money order or check shall be sent to Kerry A. Zinn, Senior Trial Counsel, Securities and Exchange Commission, Southeast Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida 33131.

**III.**

**RETENTION OF JURISDICTION**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that this Court will retain jurisdiction over this matter and Defendants 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.

**DONE AND ORDERED** this 18 day of July, 2003 at \_\_\_\_\_, Florida.



**DONALD M. MIDDLEBROOKS**  
**UNITED STATES DISTRICT JUDGE**

Copies to:

Kerry Zinn, Esq.  
Michael Tein, Esq.  
Ken Dunn, Esq.