

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA**

CASE NO. 02-80331-CIV-MIDDLEBROOKS

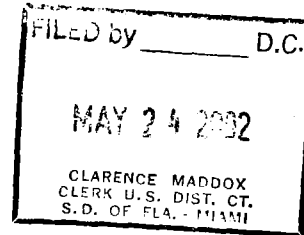
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

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

Defendants.



**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
RELIEF AS TO DEFENDANT VICTOR SELENOW**

Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against, among others, Defendant Victor Selenow ("Selenow"). In its Complaint, the Commission sought a temporary restraining order, and preliminary and permanent injunctions to prohibit violations by Selenow of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), Sections 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5, thereunder. The Commission also sought other relief against Defendants in the form of accountings, disgorgement, records preservation, expedited discovery, an order temporarily freezing assets and an order imposing civil penalties.

On April 15, 2002, this Court entered a Temporary Restraining Order, which temporarily restrained and enjoined Selenow from violations of the above-mentioned

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provisions of the federal securities laws; temporarily froze Defendants' assets; granted the Commission an accounting, expedited discovery, and prohibited the concealing or destruction of the Defendants books, records and other documents. Shortly thereafter, this Court entered a preliminary injunction against Selenow, pursuant to his consent which kept in force the relief granted on April 15, 2002.

Selenow, by the Consent affixed hereto, without admitting or denying any of the allegations in the Commission's Complaint or any other paper filed herein, except as to the jurisdiction of this Court, has agreed to the entry of this Final Judgment of Permanent Injunction and Other Relief. This Court having accepted such Consent and this Court having jurisdiction over the Defendants, and the subject matter hereof, and the Court being fully advised in the premises,

I.

**VIOLATION OF SECTIONS 5(a)
AND 5(c) OF THE SECURITIES ACT AS TO SELENOW**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Selenow, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Final Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are permanently restrained and enjoined from, directly or indirectly:

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such security;

- (b) carrying or causing to be carried through the mails or in interstate commerce, by means or instruments of transportation, any security, in the form of units, common stock, warrants or any other security, for the purpose of sale or delivery after sale, unless and until a registration statement is in effect with the Commission as to such security; or
- (c) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is filed with the Commission as to such security, or while a registration statement filed with the Commission as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. § 77h,

in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

II.

FRAUD IN VIOLATION OF SECTION 17(a) OF THE SECURITIES ACT AS TO SELENOW

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Selenow, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Final Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, in the offer or sale of any

security, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- (a) knowingly employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of material fact or omission to state any material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading; or
- (c) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon purchasers or prospective purchasers of any such security,

in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3).

III.

FRAUD IN VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER AS TO SELENOW

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Selenow, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Final Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly and willfully, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, 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 of any facility of any national securities exchange:

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

- (b) making any untrue statements of 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 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.

IV.

DISGORGEMENT AS TO SELENOW

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Selenow shall disgorge an amount to be set by the Court, without evidentiary hearing, upon the Commission's motion.

V.

PENALTIES AS TO SELENOW

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Selenow shall pay civil penalties or other relief to be determined by the Court without an evidentiary hearing at a later date after the submission of a recommendation as to the amount of penalties by the Commission.

VI.

INCORPORATION OF CONSENT

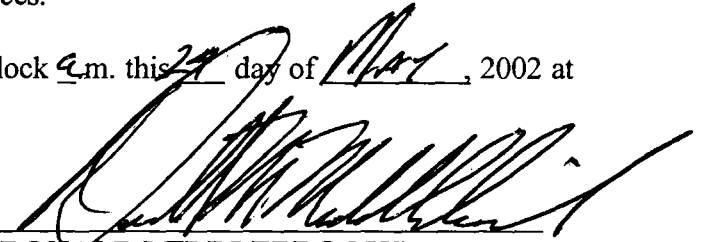
IT IS HEREBY FURTHER ORDERED that Defendant Selenow shall comply with the provisions of the Consent attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

VII.

RETENTION OF JURISDICTION

IT IS FURTHER HEREBY ORDERED that this Court will retain jurisdiction over this matter and Defendant 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 at 9 o'clock a.m. this 29 day of May, 2002 at Miami, Florida.



DONALD MIDDLEBROOKS
UNITED STATES DISTRICT JUDGE

Copies to:

Kerry A. Zinn, Esq.
Counsel for Securities and Exchange Commission

Michael Tein, Esq.
Court Appointed Receiver

Kenneth J. Dunn, Esq.
Counsel for Richard Onerato

Victor Selenow, pro se