

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

TECUMSEH HOLDINGS CORPORATION, :
TECUMSEH TRADEVEST LLC, :
S.B. CANTOR & CO., INC., JOHN L. MILLING, :
GERARD A. McCALLION, :
ANTHONY M. PALOVCHIK, and DALE CARONE, :

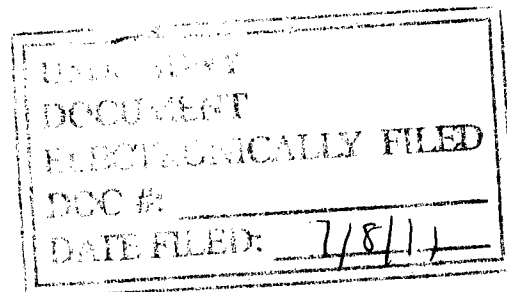
Defendants, :

- and - :

TECUMSEH ALPHA FUND LP, :
TECUMSEH ALPHA LLC, and :
STRACQ, INC., :

Relief Defendants. :
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03 Civ. 5490 (SAS)



[PROPOSED] FINAL JUDGMENT AS TO DEFENDANT DALE CARONE

WHEREAS, on May 27, 2008, the Court entered a Judgment against Defendant Dale Carone (“Carone”) on consent, which enjoined him from further violations of Sections 5(a) and 5(c) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. §§ 77e(a) and (c)] and Section 15(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), [15 U.S.C. § 78o(a)], and barred him from participating in an offering of penny stock; and

WHEREAS, on May 24, 2011, the Court entered an Opinion and Order that, among other things, granted the motion of Plaintiff Securities and Exchange Commission (the “Commission”) for an order determining disgorgement and civil monetary penalties against

Carone 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)];

NOW, THEREFORE,

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Carone and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; 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 through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement 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].

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Carone is permanently restrained and enjoined from violating, directly or indirectly, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless Carone is registered as a broker or dealer with the Commission or associated with a broker-dealer registered with the Commission.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Carone is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

IV.

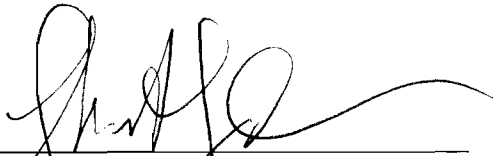
IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Carone is jointly and severally liable with Defendants Tecumseh Holdings Corporation ("Tecumseh"), John L. Milling ("Milling") and Anthony M. Palovchik ("Palovchik") for disgorgement of \$7,200,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon, jointly and severally with Milling and Palovchik, of

\$3,466,346.48, for a total of \$10,666,346.48. Carone is also liable for a civil penalty in the amount of \$6,500 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)]. Carone shall satisfy this obligation by paying \$10,672,846.48 within 14 days after entry of this Final Judgment to the Clerk of this Court, together with a cover letter identifying Carone as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Carone shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Carone relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Carone. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Carone shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

Dated: July 8, 2011



UNITED STATES DISTRICT JUDGE