

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,

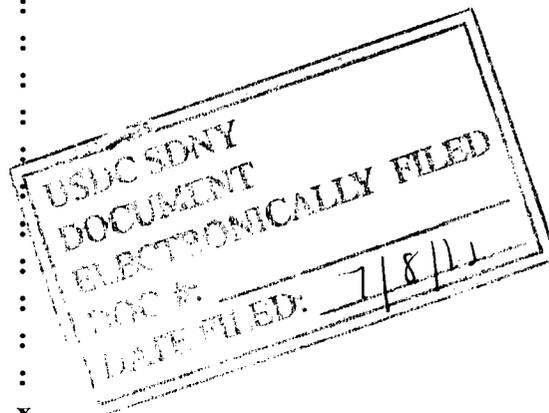
Defendants,

- 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 ANTHONY M. PALOVCHIK

WHEREAS, on November 7, 2008, the Court entered a Judgment against Defendant Anthony M. Palovchik ("Palovchik") on consent, which enjoined him from further violations of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], 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 Palovchik pursuant to 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 Palovchik 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, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) 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
- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Palovchik 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].

III.

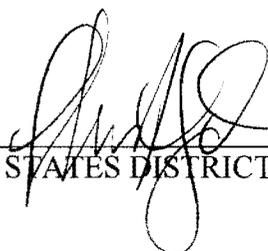
IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Palovchik is jointly and severally liable with Defendants Tecumseh Holdings Corporation (“Tecumseh”), John L. Milling (“Milling”) and Dale Carone (“Carone”) for disgorgement of \$7,200,000, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon, jointly and severally with Milling and Carone, of \$3,466,346.48, for a total of \$10,666,346.48. Palovchik is also liable for a civil penalty in the amount of \$110,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Palovchik shall satisfy this obligation by paying \$10,776,346.48 within 14 days after entry of this Final Judgment to the Clerk of this Court, together with a cover letter identifying Palovchik 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. Palovchik shall simultaneously transmit photocopies of such payment and letter to the Commission’s counsel in this action. By making this payment, Palovchik relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Palovchik. 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. Palovchik shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

IV.

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