

UNITED STATES DISTRICT COURT
FOR THE
DISTRICT COURT OF COLUMBIA

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

v.

ARNOLD GELLER, et al.

Defendants.

Civil Action No.

04 1858

**FINAL JUDGMENT AS TO DEFENDANT
ARNOLD GELLER**

The Securities and Exchange Commission ("Commission") having filed a Complaint and Defendant Arnold Geller ("Defendant") having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment As To Defendant Arnold Geller ("Final Judgment") without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Geller 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, Sections 13(d)(1) and

13(d)(2) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78m(d)(1) and 78m(d)(2)] and Exchange Act Rules 13d-1(a) and 13d-2(a) [17 C.F.R. §§ 240.13d-1(a) and 240.13d-2(a)] by:

- (a) after acquiring directly or indirectly the beneficial ownership of any equity security of a class which is specified in Exchange Act Rule 13d-1(i) [17 C.F.R. § 240.13d-1(i)] and becoming directly or indirectly the beneficial owner of more than 5% of the class, failing, within ten (10) days after the acquisition, to send to the issuer of the security, to send to each exchange where the security is traded and to file with the Commission, a statement containing the information required by Schedule 13D [17 C.F.R. Section 240.13d-101]; and
- (b) failing promptly to file or cause to be filed with the Commission, and to transmit to the issuer and the exchange where the security is traded, an amendment disclosing a change if any material change occurs in the facts set forth in a Schedule 13D [17 C.F.R. Section 240.13d-101] required by Exchange Act Rule 13d-1(a) [17 C.F.R. § 240.13d-1(a)], including, but not limited to, any material increase or decrease in the percentage of the class of equity security beneficially owned.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Geller 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 14(a) of the Exchange Act [15 U.S.C. § 78n(a)] and Exchange Act Rules 14a-3, 14a-4, 14a-5 and 14a-6 [17 C.F.R. §§ 240.14a-3, 240.14a-4, 240.14a-5 and 240.14a-6] by using the mails or any means or instrumentality of interstate commerce or any facility of a national securities exchange to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78I], in contravention of Exchange Act Rules 14a-3, 14a-4, 14a-5 and 14a-6 [17 C.F.R. §§ 240.14a-3, 240.14a-4, 240.14a-5 and 240.14a-6].

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Geller 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, Exchange Act Rule 12b-20 [17 C.F.R. § 240.12b-20] by failing, in addition to the information expressly required to be included in a statement or report, to add such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made not misleading.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a civil penalty in the amount of \$85,000 pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant shall satisfy this obligation by making payments in the following manner: Defendant shall pay \$25,000 within thirty (30) days of the entry of this Final Judgment; \$20,000 within one hundred eighty (180) days of the entry of this Final Judgment; \$20,000 within two hundred seventy (270) days of the entry of this Final Judgment; and \$20,000, plus post judgment interest, within three hundred sixty days of the entry of this Final Judgment. Defendant shall make these payments by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payments shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Geller 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. Defendant shall simultaneously transmit photocopies of such payment and letter to Antonia Chion, Associate Director, Division of Enforcement, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0801. The Commission may enforce the Court's judgment for civil penalties plus post judgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after ten (10) days following the date a payment is required by the Final Judgment to be made and is not made in full. In response to

such civil contempt motion by the Commission, Defendant may assert any legally permissible defense. Moreover, if any payment of civil penalties ordered in this action is not made within ten (10) days following the date the payment is required by the Final Judgment, the entire amount of civil penalties, \$85,000 plus post judgment interest, is due and required to be paid in full.

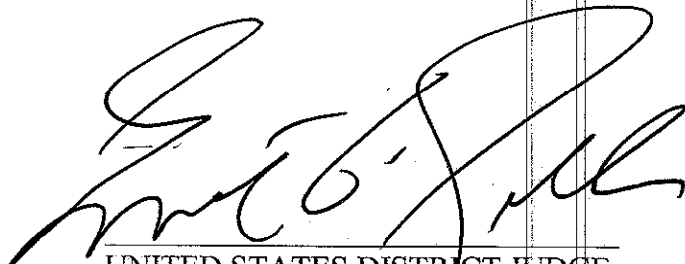
V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Geller's accompanying Consent and Undertakings of Arnold Geller is incorporated herein with the same force and effect as if fully set forth herein, and that Geller shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS 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: 11/19/, 2004


UNITED STATES DISTRICT JUDGE