

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF CONNECTICUT

**FILED**

2005 MAR -9 A 9:22

SECURITIES AND EXCHANGE COMMISSION,  
450 Fifth Street, N.W.  
Washington, D.C. 20549

Plaintiff,

v.

RICHARD CURTISS,

Defendant.

U.S. DISTRICT COURT  
NEW HAVEN, CT

Civil Action No. 305cv286  
JBA.

**FINAL JUDGMENT AS TO DEFENDANT RICHARD CURTISS**

The Securities and Exchange Commission ("Commission")  
having filed a Complaint and Defendant Richard Curtiss  
("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 Richard Curtiss ("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 and Defendant's 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 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], 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 Defendant is liable for disgorgement of \$26,625, representing profits gained and losses avoided as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$9,134, and a civil penalty in the amount of \$26,625 pursuant to Section 21A of the Exchange Act. Defendant, pursuant to an Escrow Agreement, previously deposited the sum of \$62,384, representing disgorgement plus prejudgment interest and a civil penalty, into a federally insured, interest-bearing account established with an Escrow Agent. Within ten business days of the entry of this Final Judgment, the Commission shall serve a copy of this Final Judgment upon the Escrow Agent, and the Escrow Agent shall pay to the Clerk of this Court the sum of \$62,384 plus all interest on this amount accrued subsequent to the establishment of the Escrow Account, together with a cover letter identifying Richard Curtiss 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. The Escrow Agent shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel and to Defendant's counsel in this action.

Following these actions by the Escrow Agent, Defendant shall be deemed to have satisfied his obligation to pay disgorgement, plus prejudgment interest, and a civil penalty and also shall be deemed to have relinquished all legal and equitable right, title, and interest in such funds paid to the Clerk of this Court, and no part of the funds shall be returned to Defendant.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with 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 by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to

this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, in any Related Investor Action, benefit from any offset or reduction of any investor's claim by the amount of any Fair Fund distribution to such investor in this action that is proportionately attributable to the civil penalty paid by Defendant ("Penalty Offset"). If the court in any Related Investor Action grants such an offset or reduction, Defendant shall, within 30 days after entry of a final order granting the offset or reduction, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

### III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C.

§ 78u(d)(2)], Defendant is permanently barred, following the date of entry of this Final Judgment, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

IV.

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

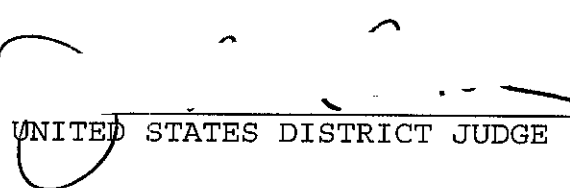
V.

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.

VI.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

Dated: 8 March, 2005

  
UNITED STATES DISTRICT JUDGE

**Name and Address of Attorneys to be Served with Copy of Final Judgment:**

Laura Josephs, Esq.  
U.S. Securities & Exchange Commission  
450 Fifth Street, N.W.,  
Washington, D.C. 20549-0701  
Attorney for Plaintiff

John C. Millian, Esq.  
Gibson, Dunn & Crutcher LLP  
1050 Connecticut Avenue N.W.  
Washington, DC 20036  
Attorney for Defendant