

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
CASE NO.: 05-61159-CIV-COOKE/BROWN**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

GLENN E. GLASSHAGEL,

Defendant.

**JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST
DEFENDANT GLENN E. GLASSHAGEL**

Plaintiff Securities and Exchange Commission ("SEC") commenced this action by filing its Complaint against Defendant Glenn E. Glasshagel ("Defendant"). In its Complaint, the SEC sought, among other relief, a permanent injunction to prohibit violations by the Defendant of Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5, 13b2-1, and 13b2-2 thereunder, and from aiding and abetting any violation of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act and Rules 12b-20, 13a-1 and 13a-13 thereunder; disgorgement of ill-gotten gains; the imposition of a civil money penalty; and an officer and director bar pursuant to Section 21(d)(2) of the Exchange Act.

Defendant, by the Consent of Defendant Glenn E. Glasshagel to Entry of Judgment and Other Relief ("Consent") affixed hereto, without admitting or denying any of the allegations in the SEC's Complaint or any other paper filed herein, except as to the jurisdiction of this Court, has consented to the entry of this Judgment of Permanent Injunction and Other Relief Against Defendant Glenn E. Glasshagel ("Judgment"), waived findings of fact and conclusions of law, and waived any right to appeal from this Judgment. This Court having accepted such Consent

and this Court having jurisdiction over the Defendant and the subject matter hereof, and the Court being fully advised in the premises,

I.

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

IT IS ORDERED AND ADJUDGED that Defendant, 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 Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from violating, Section 10(b) of the Exchange [15 U.S.C. § 78j(b)] and Rule 10b-5 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.

**KNOWINGLY CIRCUMVENTING INTERNAL CONTROLS IN
VIOLATION OF SECTION 13(B)(5) OF THE EXCHANGE ACT
AND RULES 13B2-1, AND 13B2-2 THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Defendant, 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 Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from:

- (a) knowingly circumventing or failing to implement a system of internal accounting controls or falsify books, records or accounts in violation of Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)];
- (b) falsifying or causing to be falsified books, records or accounts subject to Section 13(b)(2) of the Exchange Act in violation of Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1]; and
- (c) as an officer or director of an issuer, in connection with the preparation of an audit, review or examination of the financial statements of the issuer, or the preparation or filing of any document or report required to be filed with the Commission, make or caused to be made, misrepresentations or omissions to an accountant, in violation of Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2].

III.

**AIDING AND ABETTING VIOLATION OF SECTION 13(A) OF THE EXCHANGE
ACT AND RULES 12B-20, 13A-1 AND 13A-13 THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Defendant, 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 Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) and Rules 12b-20, 13a-1, and 13a-13 of the Exchange Act [15 U.S.C. 78m(a) and 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13] which, among other things, require registered public companies to file reports with the Commission that accurately and fairly reflect its financial information, contain the information expressly required to be included in a statement or report, and such further material information as may be necessary to make the required statements, in the light of the circumstances under which they were made, not misleading.

IV.

**AIDING AND ABETTING VIOLATIONS OF
SECTIONS 13(B)(2)(A) AND 13(B)(2)(B) OF THE EXCHANGE ACT**

IT IS FURTHER ORDERED AND ADJUDGED that Defendant, 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 Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from aiding and abetting any violation of Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A) and 78m(b)(2)(B)], which, among other things, require registered public companies to:

1. Make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of such companies;
2. Devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - a. transactions are executed in accordance with management's general or specific authorization;
 - b. transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and maintain accountability for assets;
 - c. access to assets is permitted only in accordance with management's general or specific authorization; and
 - d. the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

V.

OFFICER AND DIRECTOR BAR

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)] Defendant is hereby barred from acting as an officer or director of any issuer that has a class of securities registered with the Commission 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). This bar from acting as officer and director, shall commence on the third Monday after the date of entry of this Judgment.

VI.

DISGORGEMENT AND CIVIL PENALTY

IT IS FURTHER ORDERED AND ADJUDGED that the dollar amount of disgorgement and/or civil penalty shall be reached by agreement of the parties. If the parties are unable to reach an agreement, upon motion of the SEC, the Court shall determine whether it is appropriate to order disgorgement of ill-gotten gains and/or a civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and, if so, the amount(s) of the disgorgement and/or civil penalty. If disgorgement is ordered, Defendant shall pay prejudgment

interest thereon, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the SEC's motion for disgorgement and/or a civil penalty, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the SEC's motion for disgorgement and/or civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

VII.

INCORPORATION OF CONSENT

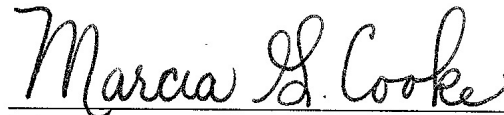
IT IS HEREBY FURTHER ORDERED AND ADJUDGED that Defendant shall comply with the provisions of the Consent and that such Consent is incorporated herein by reference as if fully set forth herein.

VIII.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED AND ADJUDGED that this Court shall 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. Finally, the Clerk is directed to CLOSE this case and all pending Motions are DENIED AS MOOT.

DONE AND ORDERED in Chambers at Miami, Florida, this 31st day of October, 2006.

A handwritten signature in black ink, reading "Marcia G. Cooke". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

MARCIA G. COOKE

United States District Judge

Copies furnished to:

All Counsel of Record

Glenn Glasshagel, pro se