

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 02-80331-CIV-MIDDLEBROOKS

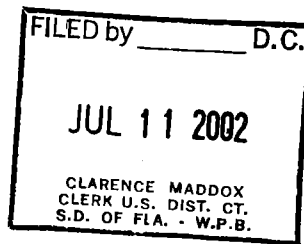
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

THE GAMING FACTORY, INC.,  
A PANAMANIAN CORPORATION,  
THE GAMING FACTORY, INC.,  
A FLORIDA CORPORATION,  
RICHARD ONORATO, and  
VICTOR SELENOW,

Defendants.



**FINAL JUDGMENT OF PERMANENT INJUNCTION  
AND OTHER RELIEF AS TO DEFENDANT RICHARD ONORATO**

Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against, among others, Defendant Richard Onorato ("Onorato"). In its Complaint, the Commission sought a temporary restraining order, and preliminary and permanent injunctions to prohibit violations by Onorato of Section 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5, thereunder. The Commission also sought other relief against Onorato in the form of accountings, disgorgement, civil penalties, records preservation, expedited discovery, repatriation and an order temporarily freezing assets.

On April 15, 2002, this Court entered a temporary restraining order, which temporarily restrained and enjoined Onorato from further violations of the above-mentioned provisions of the federal securities laws; temporarily froze its assets; granted the Commission an accounting, expedited discovery, ordered repatriation of investors' monies and prohibited the concealing or destruction of books, records and other documents. On April 23, 2002, Onorato consented to the entry of a preliminary injunction and other relief pending the outcome of this case.

Onorato, by the Consent affixed hereto, without admitting or denying any of the allegations in the Commission's Complaint or any other paper filed herein, except as to the jurisdiction of this Court, has agreed to the entry of this Judgment of Permanent Injunction and Other Relief. This Court having accepted such Consent and this Court having jurisdiction over Onorato and the subject matter hereof, and the Court being fully advised in the premises,

I.

**FRAUD IN VIOLATION OF SECTION 17(a) OF THE SECURITIES ACT**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Onorato, his officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with it, and each of them, directly or indirectly, who receive actual notice of this Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, in the offer or sale of any security, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- (a) knowingly employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of material fact or omission to state any material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading; or
- (c) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon purchasers or prospective purchasers of any such security,

in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3).

**II.**

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

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Onorato, his officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with it, and each of them, directly or indirectly, who receive actual notice of this Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly and willfully, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (a) employing any device, scheme or artifice to defraud;
- (b) making any untrue statements of material fact or omitting 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) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

**III.**

**DISGORGEMENT**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that Onorato shall disgorge, with prejudgment interest, all ill-gotten profits or proceeds that he received, directly or indirectly, as a result of the acts and courses of conduct described in the Complaint. The dollar amount of disgorgement shall be reached by agreement of the parties or, if the parties are unable to reach agreement within thirty days (30) of the date of this Order, the amount shall be determined by the Court upon the Commission's motion, and Onorato's response thereto, without evidentiary

hearing. Onorato shall not challenge the disgorgement amount on the basis that he consented to the entry of this Order without admitting or denying the allegations in the Complaint. Onorato shall pay all disgorgement within thirty days (30) after the amount is liquidated or determined by the Court or such other time as may be agreed to by the parties.

**IV.**

**PENALTIES**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that the amount of civil penalties Onorato shall be required to pay 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), in connection with the activities described in the Commission's Complaint, shall be determined by the Court upon the Commission's motion, and Onorato's response thereto, without evidentiary hearing. Onorato shall not challenge the civil penalty amount on the basis that he consented to the entry of this Order without admitting or denying the allegations in the Complaint. Onorato shall pay any civil penalty assessed within thirty (30) days after the amount of penalties is liquidated or determined by the Court.

**V.**

**INCORPORATION OF CONSENT**

**IT IS HEREBY FURTHER ORDERED** that Onorato shall comply with the provisions of the Consent attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

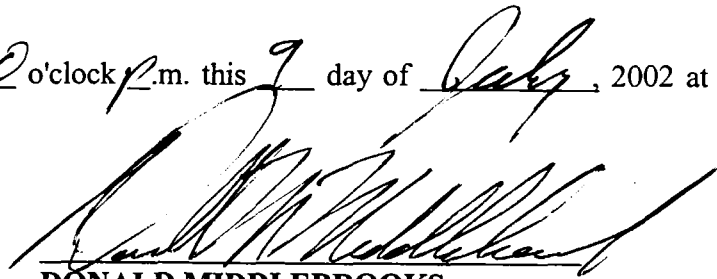
**VI.**

**RETENTION OF JURISDICTION**

**IT IS FURTHER HEREBY ORDERED, ADJUDGED AND DECREED** that this Court will retain jurisdiction over this matter and Onorato 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.

**DONE AND ORDERED** at 2:30 o'clock p.m. this 9 day of July, 2002 at \_\_\_\_\_, Florida.



**DONALD MIDDLEBROOKS**  
**UNITED STATES DISTRICT JUDGE**

Copies to:

Kerry A. Zimm, Esq.  
Michael Tein, Esq.  
Ken Dunn, Esq.  
Victor Selenow, pro se