

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 03-22524-CIV-JORDAN/BROWN

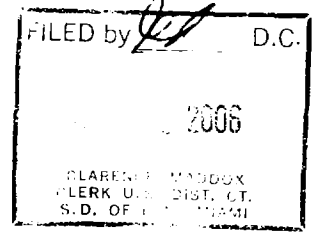
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

EDUARDO MASFERRER,
JUAN CARLOS BERNACE, and
JOHN M.R. JACOBS,

Defendants.



JUDGMENT OF PERMANENT INJUNCTION AND
OTHER RELIEF AS TO DEFENDANT JOHN M.R. JACOBS

Plaintiff Securities and Exchange Commission ("SEC") commenced this action by filing its Complaint against, among others, Defendant John M.R. Jacobs ("Defendant"). In its Complaint, the SEC sought, among other relief, a permanent injunction to prohibit violations by the Defendant 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]; Section 13(a) of the Exchange Act [15 U.S.C. § 78m] and Rules 13a-1, 13a-13 and 13b-20 [17 C.F.R. § 240.13a-1, 240.13a-13 and 240.12b-20]; Sections 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m]; and Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m] and Rule 13b2-2 [17 C.F.R. 240.13b2-1]; an order setting disgorgement and prejudgment interest thereon, and imposition of a civil money penalty against Defendant pursuant to Section 21(d) of the Exchange Act.

Defendant, 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 Final Judgment of Permanent Injunction

and Other Relief ("Final 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 HEREBY 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, be and they hereby are, permanently restrained and enjoined from, knowingly, willfully, or recklessly, 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

II.

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

IT IS HEREBY 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, be and they hereby are, permanently restrained and enjoined from, aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m], and Rules 13a-1, 13a-13 and 12b-20 [17 C.F.R. § 240.13a-1, 240.13a-13 and 240.12b-20], by knowingly providing substantial assistance to an issuer that fails to file reports with the SEC that accurately reflect its financial performance.

III.

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

IT IS HEREBY 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, who receive notice of this Judgment, by personal service or otherwise, be and they hereby are, 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)], by knowingly providing substantial assistance to an issuer that fails to:

- (a) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of any

issuer; and

- (b) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - (i) transactions are executed in accordance with management's general or specific authorization;
 - (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets;
 - (iii) access to assets is permitted only in accordance with management's general or specific authorization; and
 - (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

IV.

FRAUD IN VIOLATION OF SECTION 13(b)(2) OF THE EXCHANGE ACT AND RULE 13b2-2 THEREUNDER

IT IS FURTHER ORDERED AND ADJUDGED that Defendant, his officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, who receive notice of this Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly: (a) making or causing to be made materially false or misleading statements; or (b) omitting to state, or causing another person to omit to state, any material facts necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with: (1) an audit or examination of financial

statements required to be made pursuant to Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)]; or (2) the preparation or filing of any document or report required to be filed with the Commission, in violation of Rule 13b2-2 [17 C.F.R. § 240.13b2-2], promulgated under Section 13(b)(2) of the Exchange Act.

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. § 78j(d)(2), Defendant is hereby permanently 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. § 781, or that is required to file reports pursuant to Section 15(d) of the Exchange Act, 15 U.S.C. § 78o(d).

VI.

DISGORGEMENT & CIVIL PENALTY

IT IS FURTHER ORDERED AND ADJUDGED that 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. § 78j(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 Commission's motion for disgorgement and/or civil penalties, 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 Commission'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 attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

VIII.

RETENTION OF JURISDICTION

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that this Court will retain jurisdiction over this matter and the 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.

IX.

RULE 54(b) CERTIFICATION

IT IS FURTHER HEREBY ORDERED AND ADJUDGED that 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.

DONE AND ORDERED this 9th day of January, 2006 at _____ Miami,

Florida.



HONORABLE ADALBERTO JORDAN
UNITED STATES DISTRICT JUDGE

Copies to:

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