

ORIGINAL



UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

SOLUCORP INDUSTRIES LTD.,  
JOSEPH S. KEMPROWSKI,  
PETER R. MANTIA,  
JAMES G. SPARTZ,  
ROBERT KUHN,  
VICTOR HERMAN,  
ARLE PIERRO,  
W. BRYAN FAIR, and  
GLENN R. OHLHAUSER,

Defendants.

03, 0304WP

99 C.A. 11965 (WCC)

**AMENDED**

~~PROPOSED~~

**FINAL JUDGMENT AS TO DEFENDANTS  
JOSEPH S. KEMPROWSKI, PETER R. MANTIA,  
VICTOR HERMAN AND ROBERT KUHN**

The Court, having made its Findings of Fact and Conclusions of Law concerning Defendants Joseph S. Kemprowski ("Kemprowski"), Peter R. Mantia ("Mantia"), Victor Herman ("Herman"), and Robert Kuhn ("Kuhn"), and based on the testimony of witnesses and the evidence offered by the respective parties during a six-day bench trial that commenced on March 17, 2003 and concluded on March 25, 2003, now enters its Final Judgment in favor of Plaintiff Securities and Exchange Commission against Defendants Kemprowski, Mantia, and Herman. All claims against Kuhn are dismissed with prejudice.

A TRUE COPY

J. MICHAEL McMAHON, CLERK

BY    
DEPUTY CLERK

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that defendants Kemprowski and Mantia, their agents, servants, employees, attorneys, assigns, 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 ("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 defendants Kemprowski and Mantia, their agents, servants, employees, attorneys, assigns, 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 Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] in the offer or sale of any security by the use of any means or instruments of transportation or communication in

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
- or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

### III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that defendants Kemprowski and Mantia, their agents, servants, employees, attorneys, assigns, 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 Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)] and Rules 16a-2 and 16a-3 thereunder [17 C.F.R. §§ 240.16a-2 and 240.16a-3], by, as a direct or indirect beneficial owner of more than 10 percent of any class of equity security (other than an exempt security) which is registered pursuant to Section 12 of the Exchange Act, or as a director or an officer of the issuer of such security, failing to timely file with the Commission (and, if such security is registered on a national securities exchange, also with that exchange):

- (1) at the time of the registration of such security on a national securities exchange or by the effective date of a registration statement filed pursuant to Section 12(g) of the Exchange Act [15 U.S.C. § 78l(g)], or within ten days after becoming such

- ... a statement, in the form and manner required by Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)] and Rules 16a-2 and 16a-3 [17 C.F.R. §§ 240.16a-2 and 240.16a-3] thereunder, of the amount of all equity securities of such issuer of which such person is the beneficial owner;
- (2) before the end of the second business day following the execution of a transaction resulting in a change in such ownership or in which such person purchased or sold a security-based swap agreement involving such equity security, a statement, in the form and manner required by Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)] and Rules 16a-2 and 16a-3 [17 C.F.R. §§ 240.16a-2 and 240.16a-3] thereunder, indicating ownership by the filing person at the date of the filing, and any such changes in such ownership, and such purchases and sales of the security-based swap agreements, as have occurred since the most recent such filing; or
- (3) within forty-five days of the issuer's year-end, a statement, in the form and manner required by Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)] and Rules 16a-2 and 16a-3 [17 C.F.R. §§ 240.16a-2 and 240.16a-3] thereunder, disclosing, among other things, all holdings and transactions that should have been reported, but were not, during the most recent fiscal year.

#### IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Mantia, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from knowingly circumventing or knowingly

record, or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)], in violation of Exchange Act Section 13(b)(5) [15 U.S.C. § 78m(b)(5)].

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Mantia, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1] by, directly or indirectly, falsifying or causing to be falsified any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Mantia, his agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with him who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2] by, as a director or officer of any issuer, directly or indirectly:

- (1) making or causing to be made a materially false or misleading statement, or
- (2) omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading, to an accountant in connection with (a) any audit or examination of the financial statements of an issuer required to

240.0-1 et seq.], or (b) the preparation or filing of any document or report required to be filed with the Commission.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 20(e) of the Securities Act and Section 21(d)(2) of the Exchange Act [15 U.S.C. §§ 77t(e) and 78u(d)(2)], defendants Kemprowski and Mantia are permanently prohibited 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)].

VIII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that defendants Kemprowski, Mantia, and Herman shall pay disgorgement of \$94,056, \$6,650, and \$6,370, respectively. Each defendant shall pay the disgorgement within ten (10) business days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Clerk of the Court for the Southern District of New York, to the U.S. Treasury, or to the Securities and Exchange Commission. Payment to the Securities and Exchange Commission 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. Payment shall be accompanied by a letter identifying the payor 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

Treasury. Defendant shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action.

IX.

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: October 8, 2003

William C. Linn  
SENIOR UNITED STATES DISTRICT JUDGE