

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MILAN CAPITAL GROUP, INC., INVESTMENT
OFFICES d/b/a AC FINANCIAL, INC.,
IRA A. MONAS, MICHAEL IRWIN LAMHUT
and JASON M. COPE,

Defendants,

and

RITA A. MONAS, JENNIFER MONAS, SANDS
POINT INTERNATIONAL CORP.,
DOUGLAS H. MONAS, MICHAEL'S
CAPITAL CONSULTANTS, INC. and HWK
CONSULTANTS, INC.,

Relief Defendants.

00 Civ. 0108 (DLC)

Partial
**FINAL JUDGMENT AGAINST
DEFENDANTS AND RELIEF DEFENDANTS**

llc

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants Ira A. Monas, Jason M. Cope, Milan Capital Group, Inc. and Investment Offices d/b/a AC Financial, Inc. (hereinafter collectively referred to as "defendants") shall be jointly and severally liable for restitution and disgorgement in the amount of \$8,370,680.00 plus prejudgment interest in the amount of \$1,024,386.67, plus the fees and costs incurred by the Receiver of Milan Capital in discharging his duties under the Order Appointing a Receiver entered January 21, 2000 in the amount previously approved by this Court of \$ 854,316.61, and which shall be supplemented from time to time as additional fees and

costs are incurred and approved. The Court, having found that AC Financial was served by hand with copies of the Summons and Amended Complaint, that a proof of service has been filed, that AC Financial has failed to answer the amended complaint and that the time for answering the amended complaint has expired, enters this judgment as a Default Judgment against defendant Investment Offices d/b/a AC Financial, Inc.

II.

Within thirty (30) days from the date of this judgment, defendants shall pay to the Receiver of Milan Capital Group, Inc. by cashier's or certified check payable to "Aaron R. Mancu, Receiver of Milan Capital Group, Inc.," (1) the amount of restitution and disgorgement, (2) prejudgment interest in an amount equal to \$1,024,386.67; (3) postjudgment interest, as calculated pursuant to 28 U.S.C. § 1961, for the period from the entry of this final judgment until the payment of restitution and interest specified above; and (4) the Receiver's fees and costs. At such time as said monies are paid to the Receiver, the defendants shall relinquish all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to them, their successors, or assigns.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Monas and Cope shall ^{be jointly and severally liable for} ~~each be assessed and shall pay~~ a civil penalty under Section 21(d)(3)(B)(iii) of the Exchange Act [15 U.S.C. § 78u(d)(3)(B)(iii)] in the amounts, ^{respectively} of \$10 million and \$_____. Within thirty (30) days from the date of this judgment, Monas and Cope shall each make payment of their assessed penalty, together with postjudgment interest at the rate specified in 28 U.S.C. §1961, ~~no later than~~ ²⁰⁰¹ by check payable to the "Securities and Exchange Commission." Such payment shall be transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies the paying defendant by name, the caption and case number of this action and the name of

this Court. Copies of such check and accompanying cover letter shall be simultaneously transmitted to Debra Patalkis, Assistant Chief Litigation Counsel of the SEC, at the same address. At such time as said funds are transmitted to the SEC's Comptroller, Monas and Cope shall relinquish all legal and equitable right, title and interest in the funds, and no part of said funds shall be returned to them or their successors or assigns.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that within thirty (30) days from the date of this judgment, defendants Monas, Cope, Milan Group and AC Financial, to the extent that they have not satisfied the payment obligations set forth in Sections I and II, shall transfer to the Receiver assets, funds, or other property in an aggregate amount sufficient to meet any unpaid disgorgement, restitution and interest ordered by this Court, which assets, funds or property are presently held in domestic or foreign locations in their names or any of their aliases or pseudonyms, for their benefit, under their control, or over which they exercise actual investment or other authority (including signatory authority).

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that within thirty (30) days from the date of this judgment, defendants Monas and Cope, to the extent that they have not satisfied the payment obligations set forth in Section III, shall transfer to the SEC, in the manner prescribed in Section III, assets, funds, or other property in an aggregate amount sufficient to meet any unpaid civil money penalties ordered by this Court, which assets, funds or property are presently held in domestic or foreign locations ~~in their names~~ or any of their aliases or pseudonyms, for their benefit, under their control, ~~or over which~~ they exercise actual investment or other authority (including signatory authority).

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, with the exception of the transfers to the Receiver and the SEC specified above, defendants Monas, Cope, Milan Capital and AC Financial, and all persons in active concert or participation with them who receive actual notice of this order by personal service or otherwise, including their agents, servants, employees, and attorneys, and each of them, shall hold and retain within their control, and otherwise prevent any concealment, disposition, transfer, or dissipation whatsoever of any assets, funds, or other property presently held in domestic or foreign locations in the name of Monas, Cope, Milan Capital or AC Financial, for their direct or indirect benefit, under their direct or indirect control, or over which they exercise direct or indirect investment or other authority (including signatory authority).

VII.

In partial satisfaction of defendants' liability for restitution and interest, the Receiver shall immediately take title to all funds and other assets previously frozen by this Court and currently under his control as Receiver of Milan Capital, and take appropriate action to secure title and control of such other assets of the defendants. The frozen assets to which the Receiver shall take title include:

Frozen Asset	Party Holding Asset	Description
\$160,000	John K. Pierson, Esq., 12424 Wilshire Blvd., Suite 900, Los Angeles, CA 90025-1043	Funds currently held in attorney's escrow account
100,000 shares of YourNet, Inc. restricted common stock	John K. Pierson, Esq., 12424 Wilshire Blvd., Suite 900, Los Angeles, CA 90025-1043	Securities currently held in attorney's escrow account
750,000 shares of Havana Republic, Inc. restricted common stock	Whale Securities Co., L.P., 650 Fifth Avenue, NY, NY 10019	Account No. 5975-9421 in the name of Ira Monas
19 shares of Rubber Technologies, Inc. (RTEK)	Whale Securities Co., L.P., 650 Fifth Avenue, NY, NY	Account No. 5975-9421 in the name of Ira Monas

common stock	10019	
\$554.94	Whale Securities Co., L.P., 650 Fifth Avenue, NY, NY 10019	Account No. 5975-9421 in the name of Ira Monas (uninvested cash balance "swept" into money market fund; value listed is as of 12/11/00)
\$31,995.22	Equitrade Securities Corp., 23736 Birtcher Drive, Lake Forest, CA 92630	Account No. 5654-5771 in the name of Ira A. Monas (uninvested cash balance "swept" into money market fund; value listed is as of 12/11/00)
1,000 shares of Swiftnet.Com, Inc. (SWNT) class A common stock	Equitrade Securities Corp., 23736 Birtcher Drive, Lake Forest, CA 92630	Account No. 5654-5771 in the name of Ira A. Monas
\$937.75	First Union Securities, c/o Everen Securities, Inc., 77 West Wacker, Chicago, IL 60601	Account No. KYPR-5608- 9211 in the name of Ira A. Monas (uninvested cash balance "swept" into money market fund; value listed is as of 12/11/00)
\$29,261.44	Republic Bank, 111 Second Avenue, Suite 300, St. Petersburg, FL 33701	Account No. 68001841 in the name of AC Financial, Inc. (cash balance as of 12/11/00)
\$1,671.00	Herzog Heine Geduld, Inc., 525 Washington Blvd., Jersey City, NJ 07310	Account No. 132-99994 in the name of AC Financial, Inc. (cash balance as of 12/11/00)
\$20,961.00	Herzog Heine Geduld, Inc., 525 Washington Blvd., Jersey City, NJ 07310	Account No. 132-99995 in the name of AC Financial, Inc. (cash balance as of 12/11/00)
\$657.00	Herzog Heine Geduld, Inc., 525 Washington Blvd., Jersey City, NJ 07310	Account No. 132-99996 in the name of AC Financial, Inc. (cash balance as of 12/11/00)
\$22,490.98	Citibank, N.A., 111 Wall Street, NY, NY 10043	Account No. 61214918 in the name of Jason M. Cope. (balance listed as of 12/11/00) Pursuant to the Stipulation and Order entered by this Court on May 30, 2000, these funds are due to be paid into an

		escrow account maintained by the Receiver pending entry of judgment.
--	--	--

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Receiver shall hold (or in the case of nonliquid assets, liquidate) the assets referred to above for the benefit of the investors who suffered losses arising out of fictitious purchases of shares in the IPOs of Worldwide Wrestling Federation Entertainment, United Parcel Service, Inc., FogDog, Inc. and Freemarkets.com, Inc., and for such other purposes as may be approved by the Court. The assets shall be distributed to defrauded investors pursuant to a plan of distribution to be proposed by the Securities and Exchange Commission and the Receiver after entry of this Final Judgment, subject to approval by this Court.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Monas and Cope shall each prepare and present to this Court and to the SEC and the Receiver a sworn accounting of all of their assets and liabilities, including but not limited to the following:

- a. all securities, funds, real estate, and other assets of Monas and Cope, held in their names, or in which they have any direct or indirect beneficial interest, stating the location of such assets; and
- b. each account with any bank, financial institution or brokerage firm maintained in the name of Monas and Cope, or in which they have ~~or had any direct or indirect beneficial interest, from January 1, 1999 to the present.~~

This accounting shall be submitted to this Court and served on the SEC and the Receiver within twenty (20) days from the date of entry of this judgment.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Rita A. Monas shall be liable for restitution and disgorgement in the amount of \$40,000.00, and that said judgment has been satisfied by the proceeds of the sale of a 1999 Mercedes Benz E430 automobile, title to which this relief defendant transferred to the Receiver on or about May 15, 2000, thereby resolving the Receiver's application for a preliminary injunction and other relief. This relief defendant is deemed to have relinquished all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to her, her successors, or assigns.

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Jennifer Monas shall be liable for restitution and disgorgement in the amount of \$32,000.00, and that said judgment has been satisfied by the proceeds of the sale of a 1999 Mercedes Benz CLK320 automobile, title to which this relief defendant transferred to the Receiver on or about August 23, 2000, thereby resolving the Receiver's application for a preliminary injunction and other relief. This relief defendant is deemed to have relinquished all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to her, her successors, or assigns.

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Sands Point International Corp., having been served by hand with copies of the Summons and Amended Complaint and a proof of service having expired, and having failed to answer the amended complaint and the time for answering the amended complaint having expired, shall be liable for restitution and disgorgement in the amount of \$60,139.97, and that said judgment has been satisfied by this relief defendant's stipulation to the transfer of \$60,139.97 to the Receiver on or about March 9, 2000, thereby resolving the Receiver's application for a preliminary injunction and other relief.

This relief defendant is deemed to have relinquished all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to it, its successors, or assigns.

XIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Douglas H. Monas shall be liable for restitution and disgorgement in the amount of \$15,000.00, and that said judgment has been satisfied by this relief defendant's stipulation to the transfer of \$15,000.00 to the Receiver on or about March 9, 2000, thereby resolving the Receiver's application for a preliminary injunction and other relief. This relief defendant is deemed to have relinquished all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to him, his/her successors, or assigns.

XIV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Michael's Capital Consultants, Inc., having been served by hand with copies of the Summons and Amended Complaint and a proof of service having been filed, and having failed to answer the amended complaint and the time for answering the amended complaint having expired, shall be liable for restitution and disgorgement in the amount of \$183,260.70, and that said judgment has been satisfied by this relief defendant's stipulation to the transfer of \$183,260.70 to the Receiver on or about March 3, 2000, thereby resolving the Receiver's application for a preliminary injunction and other relief. This relief defendant is deemed to have relinquished all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to it its successors, or assigns.

XV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant HWK Consultants, Inc., having been served by hand with copies of the

Summons and Amended Complaint and a proof of service having been filed, and having failed to answer the amended complaint and the time for answering the amended complaint having expired, shall be liable for restitution and disgorgement in the amount of \$305,255.25, and that said judgment has been satisfied by this relief defendant's stipulation to the transfer of \$305,255.25 to the Receiver on or about March 3, 2000 thereby resolving the Receiver's application for a preliminary injunction and other relief. This relief defendant is deemed to have relinquished all legal and equitable right, title, and interest in those funds and no part of such monies shall be returned to it, its successors, or assigns.

~~XVI.~~

dle
~~This Final Judgment is issued without prejudice to the SEC's right to seek a modification of the amount of restitution and disgorgement should the SEC become aware of facts that would justify such a modification.~~

~~XVII.~~

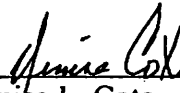
dle
~~This Final Judgment is issued without prejudice to the SEC's right to move to substitute the Estate of Michael Irwin Lamhut as a defendant to this action and to seek an amendment to this Judgment to provide for relief against the Lamhut Estate should the SEC become aware of facts that would justify such an amendment.~~

XVIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction over this action for all purposes, including the implementation and enforcement of this Final Judgment, and including any discovery by the SEC or the Receiver to locate additional assets that may be available to satisfy the liability hereunder of the defendants and the relief defendants.

XIX.

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



Hon. Denise L. Cote
United States District Judge

Dated: *August 14, 2001*