

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

FILED
IN CLERK'S OFFICE
U.S. DISTRICT COURT E.D.N.Y.

★ OCT 31 2003 ★

SECURITIES AND EXCHANGE COMMISSION,

LONG ISLAND OFFICE

Plaintiff,

00 Civ. 1848
(TCP) (WDW)

v.

RENAISSANCE CAPITAL MANAGEMENT, INC.,
NNPD ESCROW HOLDING CO., INC., ALLEN
ANDRESCU, RICHARD BROWER, MARK COATES,
VIKRAM RANDHAWA, and TEJBIR SINGH,

Defendants,

ANA ANDRESCU, JON ANDRESCU, and MAGIC
KNITS, LTD,

Relief Defendants.

JUDGMENT AGAINST RICHARD BROWER, MARK COATES, TEJBIR SINGH, ANA ANDRESCU, JON ANDRESCU, AND MAGIC KNITS, LTD.

On the hearing to determine:

1. the amounts of disgorgement, pre-judgment and civil penalties against Richard Brower ("Brower"), Mark Coates ("Coates"), and Tejbir Singh ("Singh") (collectively, the "Remaining Defendants"); and
2. the amounts of disgorgement and pre-judgment interest against Ana Andrescu ("A. Andrescu"), Jon Andrescu ("J. Andrescu"), and Magic Knits, Ltd. ("Magic Knits") (collectively, the "Relief Defendants"); and

WHEREAS by order dated March 24, 2003, this Court found that the Remaining Defendants violated the antifraud and registration provisions of the federal securities laws, Sections 5(a), (c) and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) and 77e(c), and 77q(a), and Section 10(b) of the Securities Exchange

Act of 1934 (“Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5, permanently enjoined the Remaining Defendants from future violations of those provisions, found the Remaining Defendants liable for disgorgement, pre-judgment interest, and civil penalties, found the Relief Defendants liable for disgorgement and pre-judgment interest, and referred the determination of disgorgement, pre-judgment interest, and penalties to Judge Wall; and

WHEREAS, on May 5, 2003 Judge Wall conducted a hearing to determine disgorgement, prejudgment interest, and civil penalties in accordance with the March 24, 2003 Order; and

WHEREAS on August 25, 2003, Judge Wall issued his Report and Recommendation (the “Report”) recommending disgorgement, prejudgment interest, and civil penalties against the Remaining Defendants, and recommending disgorgement and prejudgment interest against the Relief Defendants; and

HAVING CONSIDERED: (1) the Report; (2) Plaintiff the Securities and Exchange Commission’s (“Commission”) Objection to the Report, dated September 9, 2003; (3) Defendant Coates’ letter in response to Plaintiff’s Objection, dated October 10, 2003; (4) Relief Defendants’ letter objection to the Report; and (5) the Declaration of Elizabeth Baier, dated October 6, 2003;

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Brower is liable for disgorgement of \$105,250.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$53,536.53, for a total of \$158,786.53. Defendant Brower shall satisfy this obligation by paying \$158,786.53 within ten business days to the Clerk of this Court, together with a cover letter identifying Brower 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. Defendant Brower shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, New York 10279. By making this payment, Defendant Brower relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant Brower. The Clerk shall deposit the funds into an interest bearing account (the "Account") with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon, shall be held by the CRIS until further order of the Court. The Commission may propose a plan to distribute the funds in the Account subject to the Court's approval.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Coates is liable for disgorgement of \$26,650.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the

amount of \$13,423.34, for a total of \$40,073.34. Defendant Coates shall satisfy this obligation by paying \$40,073.34 within ten business days to the Clerk of this Court, together with a cover letter identifying Coates 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. Defendant Coates shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, New York 10279. By making this payment, Defendant Coates relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant Coates. The Clerk shall deposit the funds into the Account. These funds, together with any interest and income earned thereon, shall be held by the CRIS until further order of the Court.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Singh is liable for disgorgement of \$10,000.00, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$4,273.26, for a total of \$14,273.26. Defendant Singh shall satisfy this obligation by paying \$14,273.26 within ten business days to the Clerk of this Court, together with a cover letter identifying Singh 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. Defendant Singh shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission,

Northeast Regional Office, 233 Broadway, New York, New York 10279. By making this payment, Defendant Singh relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant Singh. The Clerk shall deposit the funds into the Account. These funds, together with any interest and income earned thereon, shall be held by the CRIS until further order of the Court.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Ana Andrescu is liable for disgorgement of \$19,500.00, together with prejudgment interest thereon in the amount of \$4,789.70, for a total of \$24,289.70. Relief Defendant Ana Andrescu shall satisfy this obligation by paying \$24,289.70 within ten business days to the Clerk of this Court, together with a cover letter identifying Ana Andrescu as a Relief 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. Relief Defendant Ana Andrescu shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, New York 10279. By making this payment, Relief Defendant Ana Andrescu relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Relief Defendant Ana Andrescu. The Clerk shall deposit the funds into the Account. These funds, together with any interest and income earned thereon, shall be held by the CRIS until further order of the Court.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendant Jon Andrescu is liable for disgorgement of \$9,900.00, together with prejudgment interest thereon in the amount of \$2,431.68, for a total of \$12,331.68. Relief Defendant Jon Andrescu shall satisfy this obligation by paying \$12,331.68 within ten business days to the Clerk of this Court, together with a cover letter identifying Jon Andrescu as a Relief 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. Relief Defendant Jon Andrescu shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, New York 10279. By making this payment, Relief Defendant Jon Andrescu relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Relief Defendant Jon Andrescu. The Clerk shall deposit the funds into the Account. These funds, together with any interest and income earned thereon, shall be held by the CRIS until further order of the Court.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Relief Defendants Jon Andrescu and Magic Knits are liable, jointly and severally, for disgorgement of \$85,000.00, together with prejudgment interest thereon in the amount of \$20,878.10, for a total of \$105,878.10. Relief Defendants Jon Andrescu and Magic Knits shall satisfy this obligation by paying \$105,878.10 within ten business days to the Clerk of this Court, together with a cover letter identifying Magic Knits and Jon Andrescu as

Relief Defendants 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. Relief Defendants Jon Andrescu and Magic Knits shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, New York 10279. By making this payment, Relief Defendants Jon Andrescu and Magic Knits relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Relief Defendant Jon Andrescu. The Clerk shall deposit the funds into the Account. These funds, together with any interest and income earned thereon, shall be held by the CRIS until further order of the Court.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that in accordance with the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Account a fee equal to ten percent of the income earned on the funds in the Account. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Brower shall pay a civil penalty in the amount of \$ 105,250 pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act. Defendant Brower shall make this payment 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 United States Securities and Exchange Commission. The payment 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, and shall be accompanied by a letter identifying Brower 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. Defendant Brower shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, New York 10279.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Coates shall pay a civil penalty in the amount of \$ 26,650 pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act. Defendant Coates shall make this payment 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 Securities and Exchange Commission. The payment 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, and shall be accompanied by a letter identifying Coates 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. Defendant Coates shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld,

Assistant Regional Director, United States Securities and Exchange Commission,
Northeast Regional Office, 233 Broadway, New York, New York 10279.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Singh shall pay a civil penalty in the amount of \$ 10,000 pursuant to Section 20(d) of the Securities Act and Section 21(d) of the Exchange Act. Defendant Singh shall make this payment 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 United States Securities and Exchange Commission. The payment 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, and shall be accompanied by a letter identifying Singh 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. Defendant Singh shall simultaneously transmit photocopies of such payment and letter to David Rosenfeld, Assistant Regional Director, United States Securities and Exchange Commission, Northeast Regional Office, 233 Broadway, New York, New York 10279.

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Federal Rule of Civil Procedure 65(d), this Final Judgment is binding upon Richard Brower, Mark Coates, Tejbir Singh, Jon Andrescu, Ana Andrescu, and Magic Knits, Ltd., and each of their officers, agents, servants, employees, and attorneys-in-fact, who receive actual notice of this Final Judgment by personal service or otherwise.

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, implementing and enforcing the terms and conditions of this Final Judgment.

XIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Final Judgment pursuant to Federal Rule of Civil Procedure 54(b).

Dated: Central Islip, New York
October 31, 2003

The Honorable Thomas C. Platt
United States District Court Judge
Eastern District of New York



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 BROADWAY
NEW YORK, NY 10279

OCT 21 2003
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October 20, 2003

By Federal Express

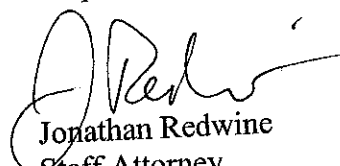
The Honorable Thomas C. Platt
United States District Court
100 Federal Plaza
Central Islip, New York 11722

Re: SEC v. Renaissance Capital Management, Inc., et al. (00 CV 1848)

Dear Judge Platt:

Plaintiff the United States Securities and Exchange Commission ("Commission") respectfully submits the enclosed proposed Judgment Against Richard Brower, Mark Coates, Tejbir Singh, Ana Andrescu, Jon Andrescu, and Magic Knits, Ltd.

Respectfully submitted,


Jonathan Redwine
Staff Attorney

Enclosure
Cc: Attached Service List