

UNITED STATES DISTRICT COURT  
FOR THE  
DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION :

Plaintiff, :

v. :

MARIA IACOVELLI, et al. :

Defendants. :

CIVIL ACTION  
NO. 01-

**FILED 01 0344**

MAR 20 2001

NANCY MAYER WHITFIELD, CLERK  
U.S. DISTRICT COURT

**FINAL JUDGMENT AS TO MARIA IACOVELLI**

Plaintiff Securities and Exchange Commission ("Commission"), having commenced this action by filing its Complaint for injunctive and other relief ("the Complaint"), and defendant Maria Iacovelli ("Iacovelli"), in her Consent and Undertakings ("Consent"), filed herewith, having entered a general appearance, having acknowledged receipt of the Complaint, having admitted to the jurisdiction of the Court over her and the subject matter of this action, having waived the filing of an Answer pursuant to Rule 12 of the Federal Rules of Civil Procedure and the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and, solely for the purpose of this action, without admitting or denying the allegations of the Complaint (except as to personal and subject matter jurisdiction, which she admits), having consented to the entry of this Final Judgment as to Maria Iacovelli ("Final Judgment") permanently restraining and enjoining her from violating Sections 5(a) and 5(c) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77e(a), 77q(a)], Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5

[17 CFR 240.10b-5] thereunder, having waived any right to appeal from this Final Judgment; and ordering Iacovelli to disgorge \$741,256, representing \$519,057 in profits realized from the conduct alleged in the Complaint and \$222,199 in prejudgment interest, and it further appearing that this Court has jurisdiction over Iacovelli and the subject matter hereof, and the Court being fully advised in the premises, **IT IS HEREBY:**

**I.**

**ORDERED, ADJUDGED AND DECREED** that Iacovelli and her agents, servants, employees, attorneys-in-fact, nominees and those persons in active concert or participation with them, and each of them, who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. §§ 77e(a) and 77e(c)] by,

(a) Unless a registration statement is in effect as to a security, directly or indirectly --

(1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or

(2) carrying or causing to be carried through the mails or interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale [as prohibited by Section 5(a)]; or

(b) Directly or indirectly, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security,

unless a registration statement has been filed as to such security, or while a registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act. [as prohibited by Section 5(c)].

**II.**

**ORDERED, ADJUDGED AND DECREED** that Iacovelli and her agents, servants, employees, attorneys-in-fact, nominees and those persons in active concert or participation with them, and each of them, who receive actual notice of this Final Judgment by personal service or otherwise, be and hereby are permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 CFR 240.10b-5] thereunder by,

directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange,

- (1) employing any device, scheme, or artifice to defraud;
- (2) making any untrue statement of a 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
- (3) engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of any security.

**III.**

**FURTHER ORDERED, ADJUDGED AND DECREED** that Iacovelli shall disgorge

\$519,057, representing monies or benefits that she derived from the conduct alleged in the Complaint, plus prejudgment interest thereon of \$222,199; provided, however, that based upon Iacovelli's sworn Statement of Financial Condition as of December 31, 1999, which was submitted to the Commission (the "STATEMENT OF FINANCIAL CONDITION"), all but \$45,000 of her disgorgement obligation is waived, contingent upon the accuracy and completeness of the STATEMENT OF FINANCIAL CONDITION. However, if it shall appear that such financial statement was false or incomplete in any material respect when made, Defendant shall, on application by the SEC, be ordered to pay the full amount of disgorgement specified above.

**IV.**

**FURTHER ORDERED, ADJUDGED AND DECREED** that Iacovelli shall deliver her \$45,000 disgorgement payment to the Court-appointed Receiver (pursuant to Paragraph III of this Final Judgment) within fifteen (15) days of the entry of the Final Judgment. Iacovelli shall notify the Commission of this transfer or delivery by sending a copy of any check, money order, or wire transfer to: Erich T. Schwartz, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 450 Fifth Street, N.W., Mail Stop 7-6, Washington, DC 20549-0706. Such payment shall thereafter be distributed pursuant to a plan for distribution of disgorgement funds, to be filed by the Commission or the Court-appointed Receiver with the Court, but in no event shall any of the funds, securities, or other things of value paid, transferred, assigned, or delivered to the Court-Appointed Receiver be returned, directly or indirectly, to Iacovelli, or her nominees.

**V.**

**FURTHER ORDERED, ADJUDGED AND DECREED** that Iacovelli and her agents, servants, employees, attorneys-in-fact, nominees and those persons in active concert or participation with them, and each of them, who receive actual notice of this Final Judgment by personal service or otherwise, are permanently enjoined for a period of three years from the date of this Final Judgment from destroying, mutilating, concealing, altering, or disposing of any items, including, but not limited to, any books, records, documents, contracts, agreements, assignments, obligations, tape recordings, computer media or other property, relating to the activities described in the Complaint.

**VI.**

**FURTHER ORDERED, ADJUDGED AND DECREED** that Iacovelli has waived any rights she or her nominees may have to make any claim against the disgorgement fund held by the Court-appointed Receiver with the registry of the Court.

**VIII.**

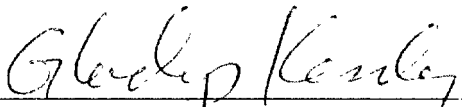
**FURTHER ORDERED, ADJUDGED AND DECREED** that Iacovelli shall comply with the annexed Consent which is incorporated herein with the same force as if fully set forth in this Final Judgment. Based on Defendant's demonstrated inability to pay, as shown by her sworn Statement of Financial Condition furnished to the SEC, the Court is not directing Defendant to pay a civil penalty pursuant to Section 20(d) of the Securities Act of 1933 (15 U.S.C. §77t(d)), Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. §78u(d)(3)), or Section 21A of the Securities Exchange Act of 1934 (15 U.S.C. §78u-1). However, if it shall appear that such

financial statement was false or incomplete in any material respect when made, Defendant shall, on application by the SEC, be ordered to pay a penalty in an amount to be set by the Court.

**IX.**

There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

**SO ORDERED**

  
UNITED STATES DISTRICT JUDGE

Dated: 7-6-15, 2001  
Washington, D.C.