

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**WALL STREET MANAGEMENT GROUP,  
ROBERT CIOFALO, CALVIN MOORE, THOMAS  
CLINES, HEIDI DECONDE CLINES, and  
KATHLEEN CONNELL**

**Defendants.**

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**01 Civ. 0726 (GBD)**

**FINAL JUDGMENT AS TO THOMAS CLINES AND HEIDI DECONDE CLINES**

Plaintiff Securities and Exchange Commission ("Commission"), having commenced this action by filing its Complaint for Injunctive and Other Relief ("the Complaint"), and defendants Thomas Clines and Heidi DeConde Clines ("the Clines"), in their 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 them and the subject matter of this action, having waived 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 they admit), having consented to the entry of this Final Judgment as to Thomas Clines and Heidi DeConde Clines ("Final Judgment"), having waived any right to appeal from this Final Judgment, and it further appearing that this Court has

jurisdiction over Thomas Clines and Heidi DeConde Clines and the subject matter hereof, and the Court being fully advised in the premises, **IT IS HEREBY:**

**I.**

**ORDERED, ADJUDGED AND DECREED** that Thomas Clines and Heidi DeConde Clines and their 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.

**FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Thomas Clines pay disgorgement in the amount of \$209,288 and Defendant Heidi DeConde Clines pay disgorgement in the amount of \$90,371, representing gains that arise from the conduct alleged in the Complaint, together with pre-judgment interest in the combined amount of \$175,201. Based upon Defendants' sworn representations in their Statement of Financial Condition dated December 8, 2000 (as supplemented by subsequent written submissions and oral depositions of Thomas Clines and Heidi Clines taken on July 11, 2001 and August 6, 2001 respectively), payment of all but \$4,500 of the disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of their Statement of Financial Condition, subsequent submissions and deposition testimony.

## III.

**FURTHER ORDERED, ADJUDGED AND DECREED** that based on Defendants Thomas Clines and Heidi DeConde Clines' sworn representations in their Statement of Financial Condition dated December 8, 2000 (as supplemented by subsequent written submissions and oral depositions of Thomas Clines and Heidi Clines taken on July 11, 2001 and August 6, 2001 respectively), and other documents submitted to the Commission, the Court is not ordering them to pay a civil penalty. The determination not to impose a civil penalty and to waive payment of all but \$4,500 of the disgorgement and pre-judgment interest thereon is contingent upon the accuracy and

completeness of their Statement of Financial Condition, subsequent submissions and deposition testimony. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendants' representations to the Commission concerning their assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendants, petition the Court for an order requiring Defendants to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendants was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendants to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendants may not, by way of defense to such petition: (1) challenge the validity of this Consent or the Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

IV.

**FURTHER ORDERED, ADJUDGED AND DECREED** that the Clines shall deliver their \$4,500 disgorgement payment (pursuant to Paragraph II of this Final Judgment) to the Court-appointed Receiver in SEC v. Huttoe, et al., 96 Civ. 2543 (GK) (D.D.C.) within thirty (30) days of the entry of the Final Judgment. The Clines shall contemporaneously notify the Commission of each transfer or delivery by sending a copy of any check, money order, or wire transfer to: Cheryl J. Scarboro, 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 in SEC v. Huttoe, 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 the Clines.

V.

**FURTHER ORDERED, ADJUDGED AND DECREED** that the Clines and their 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 the Clines have waived any rights they or their nominees may have to make any claim against any disgorgement fund established to compensate victims of the SOE fraud, including monies held by the Court-appointed Receiver or in the registry of the Court.

VII.

**FURTHER ORDERED, ADJUDGED AND DECREED** that the Clines shall comply with the annexed Consent which is incorporated herein with the same force as if fully set forth in this Final Judgment.

VIII.

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

*George B. Daniels*  
UNITED STATES DISTRICT JUDGE

JUDGE GEORGE B. DANIELS

Dated: DEC 30 2002, 200  
New York, New York