

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Case NO. 3:CV-96-0705
	:	(Chief Judge Thomas I. Vanaskie)
LAZARE INDUSTRIES, INC. and	:	
	:	
RICHARD J. HARLEY,	:	
	:	
Defendants, and	:	
	:	
JACQUELINE KUBE,	:	
	:	
Relief Defendant.	:	

**FINAL JUDGMENT AND ORDER DIRECTING PAYMENT OF
DISGORGEMENT, PREJUDGMENT INTEREST, AND CIVIL PENALTIES**

WHEREAS, on May 20, 1996, this Court entered a Permanent Injunction by Consent and Continued Asset Freeze (the "Permanent Injunction"), reserving only

the issue of whether the defendants and relief defendant must disgorge funds, the amount of disgorgement, if any, and whether civil penalties, if any should be assessed against the defendants;

AND WHEREAS NOW, the plaintiff, the Securities and Exchange Commission has moved this Court for an Order Directing Payment of Disgorgement, Prejudgment Interest, and Civil Penalties (the "Commission's Motion");

IT IS HEREBY ORDERED, ADJUDGED and DECREED THAT, on this 4th day of January, 2008, upon consideration of the Commission's Motion, and of all responses and replies to that Motion, and there being no just reason for delay, the plaintiff's Motion is hereby **GRANTED** in full, and:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that that Defendants Lazare Industries, Inc. ("Lazare") and Richard J. Harley ("Harley"), and Relief Defendant Jacqueline Kube ("Kube") are jointly and severally liable for disgorgement of \$^{424,250}442,000 representing profits gained as a result of the conduct alleged in the Complaint in the captioned action, together with prejudgment interest thereon in the amount of \$^{551,661}~~574,742~~ for a total of \$^{975,911}~~1,016,742~~. The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving

for civil contempt (and/or through other collection procedures authorized by law) at any time after ten (10) days following entry of this Final Judgment. Payments under this paragraph shall be made to the Clerk of this Court, together with a cover letter identifying the paying Defendant 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 paying Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, the paying Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to any Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and 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 Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United

States. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)] and Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Defendant Harley shall pay a third-tier civil penalty in the amount of \$ 500,000; and Defendant Lazare shall pay a third-tier civil penalty in the amount of \$ 1,000,000. The Defendants shall make their respective payments 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 the paying Defendant 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 Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission

shall remit the funds paid pursuant to this paragraph to the United States Treasury.

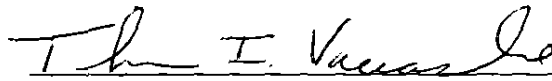
III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the permanent injunctions imposed in paragraphs I. and II. of the Permanent Injunction shall remain in full force and effect; and

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Order.

Dated: January 4, 2008



The Honorable Thomas I. Vanaskie
Chief United States District Judge