

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION, )  
)  
Plaintiff, )  
)  
v. )  
)  
THE APPLETREE COMPANIES, INC. )  
f/k/a MODAMI SERVICES, INC., )  
MICHAEL H. Long, DAVID B. LOBEL, )  
PAUL B. KRAVITZ, AND )  
W. SCOTT LONG III, )  
)  
Defendants. )

Case No. 96-8675  
Civ-Seitz

**FINAL JUDGMENT RELATING TO DISGORGEMENT AND  
CIVIL PENALTIES AS TO DEFENDANT W. SCOTT LONG III**

Plaintiff, Securities and Exchange Commission ("Commission"), commenced this action by filing its Complaint against Defendant W. Scott Long III ("Long") and others. In its Complaint, the Commission sought permanent injunctions to prohibit violations by the Defendant of Sections 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 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, 17 C.F.R. § 240.10b-5, thereunder. The Commission also sought other relief in the form of accountings, disgorgement, and civil penalties.

Defendant has consented to the entry of this final judgment which resolves the Commission's claim for disgorgement, civil fines and/or penalties as prayed for in the Complaint.

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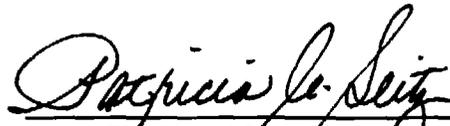
This Court having jurisdiction over Defendant and the subject matter hereof, and the Court being fully advised in the premises,

**IT IS FURTHER ORDERED** that Defendant pay disgorgement in the amount of twenty-six thousand dollars (\$26,000.00) representing his gains from the conduct alleged in the Complaint, plus pre-judgment interest. Based upon Defendant's sworn representations in his Statement of Financial Condition dated January 8, 2000, and submitted to the Commission, payment of \$26,000.00 in disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition.

**IT IS FURTHER ORDERED** that based upon Defendant's sworn representations in his Statement of Financial Condition dated January 8, 2000, and submitted to the Commission, the Court is not ordering him to pay a civil penalty pursuant to Section 20 (d) of the Securities Act, 15 U.S.C. §77t (d) and Section 21 (d) (3) of the Exchange Act, 15 U.S.C. §78 (d) (3). The determination not to impose a civil penalty and to waive payment of disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of his Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning his 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 Defendant, petition this Court for an

order requiring Defendant to pay disgorgement, pre-judgment and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment, and the Commission may also request additional discovery. Defendant may not, by way of defense to such petition, challenge the validity of his Consent or the Final Judgment, contest the allegations in the Complaint filed by the Commission, contest the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

**DONE AND ORDERED** this 2nd day of March, 2000 in chambers in Miami, Florida.

  
UNITED STATES DISTRICT JUDGE

cc: Glenn A. Harris  
Securities and Exchange Commission  
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Miami, FL 33131  
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