

AD

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

**FILED**

DEC 31 1998

MICHAEL E. KUNZ, Clerk  
By: \_\_\_\_\_ Dep. Clerk

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

BARNARD SACKETT, JOHN H. SCHRIEK  
and ENVIROLAND, LTD.,

Defendants

CV-97-5934 (AB)

REC'D  
**FILED**

MAY - 8 1998

MICHAEL E. KUNZ, Clerk

By: \_\_\_\_\_ Dep. Clerk

**FINAL JUDGMENT BY DEFAULT AGAINST  
DEFENDANT JOHN H. SCHRIEK**

The Summons and Complaint in this action having been duly served on Defendant John H. Schriek ("Schriek"), on December 11, 1997, and Defendant Schriek having failed to plead or otherwise defend or appear through counsel in this action as required by this Court, and said default having been duly noted, and upon the Motion Of Plaintiff Securities And Exchange Commission For The Entry Of Final Judgments By Default, the accompanying Declaration of Alexander M. Vasilescu, with attached exhibits, including the Affidavit of Elizabeth Hasychak, sworn to on April 9, 1998, and the Affidavit of Stuart M. Brown, sworn to on April 17, 1998; and the Court having made the following findings:

Defendant Schriek knowingly or recklessly engaged in a fraudulent scheme which involved the offer to at least two investors in the United States of financial programs comprised of fictitious securities in the form of "letters of credit" and "cash flow contracts" obtained from non-existent "prime banks" ("Prime Banks").

A TRUE COPY CERTIFIED FROM THE RECORD

DATED:

ATTEST:

7/24/06  
Margaret R. Stepien  
DEPUTY CLERK, UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

As part of the fraudulent scheme, during the period from approximately August 1995 through March 1996, Defendant Schriek, through his partner, Defendant Barnard Sackett ("Sackett"), sent written solicitation materials ("Solicitation Packages") to the Council of Better Business Bureaus, Inc. ("CBBB"), in Arlington Virginia, and the Bankruptcy Estate of the Foundation For New Era Philanthropy, Inc. ("Bankruptcy Estate For New Era"), in Philadelphia, Pennsylvania. The Solicitation Packages sent to the CBBB and the Bankruptcy Estate For New Era represented that, depending on the financial program, investors would receive guaranteed returns on investments of between 360% to 528% per annum, in exchange for investments between \$100,000 to \$100 million. The Solicitation Packages represented that Defendant Schriek was partners with Defendant Sackett and the Defendant Schriek was president of Defendant Enviroland, Ltd. ("Enviroland").

As part of the fraudulent scheme, Defendant Schriek, through his partner, Defendant Sackett, solicited the CBBB and the Bankruptcy Estate For New Era by telephone to invest sums ranging from \$100,000 to \$100 million in the financial programs and component Prime Bank securities offered by Defendants Sackett, Schriek and Enviroland. In addition, through his partner, Defendant Sackett, Defendant Schriek attempted to convince the CBBB and the Bankruptcy Estate For New Era to offer the financial programs and component Prime Bank securities to hundreds of non-profit and charitable entities associated with the CBBB or creditors of the Bankruptcy Estate For New Era.

The Solicitation Packages sent by Defendants Sackett, Schriek and Enviroland to the CBBB and the Bankruptcy Estate For New Era in connection with the offer of the financial programs and component Prime Bank securities did not disclose that the Prime Bank

securities were fictitious and that the guaranteed returns of between 360% and 528% were non-existent.

NOW, on motion of Plaintiff Securities and Exchange Commission for a final judgment by default against Defendant Schriek ("Final Judgment"):

I.

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Defendant Schriek be, and hereby is, permanently enjoined from, directly or indirectly, singly or in concert, violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a) by, in the offer or sale of any security, using any means or instrumentality of interstate commerce, or the mails, to:

- A. employ any device, scheme or artifice to defraud;
- B. obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- C. engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser.

II.

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Schriek be, and hereby is, permanently enjoined from, directly or indirectly, singly or in concert, violating 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, by, in connection

the purchase or sale of any security, using any means or instrumentality of interstate commerce, or the mails, or any facility of any national securities exchange to:

- A. employ any device, scheme or artifice to defraud;
- B. make any untrue statement of a material fact or omit 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
- C. engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

**III.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Schriek pay civil penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), in the amount of \$200,000 and that plaintiff have execution therefore.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Final Judgment is binding upon Defendant Schriek, his officers, agents, servants, employees, and attorneys, and upon those persons in active concert or participation with Defendant Enviroland who receive actual notice of this Final Judgment by personal service or otherwise, pursuant to Federal Rule of Civil Procedure 65(d).

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that as final judgments by default are being entered against all the defendants in this action, the Clerk of this Court is hereby directed to enter this Final Judgment by Default pursuant to Rule 55(b) of the Federal Rules of Civil Procedure.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court retain jurisdiction of this action in order to implement and carry out the terms of any Orders and Decrees which may be entered herein, including but not limited to, this Final Judgment.

Dated: Philadelphia, Pennsylvania  
December 30, 1998

By: *Paula B. Brag*  
U.S.D.J.

Copies faxed on \_\_\_\_\_ to:

Copies mailed on \_\_\_\_\_ to:

1-4-99

*E. Mordlinger*

*D. Horowitz*

*A. Vasilev*