

UNITED STATES DISTRICT COURT
for the
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

PHOENIX CONTINENTAL CORPORATION,)

MICHAEL T. HONEY,)

and ROBERT JOHNSTON,)

Defendants.)

CIVIL ACTION NO:
97-6600-CIV
Dimitrouleas

**FINAL JUDGMENT RELATING TO DISGORGEMENT AND
CIVIL PENALTIES AS TO DEFENDANT ROBERT JOHNSTON**

Plaintiff, Securities and Exchange Commission ("Commission"), commenced this action by filing its Complaint against Defendant Robert Johnston ("Johnston"), and others. In its Complaint, the Commission sought permanent injunctions to prohibit violations by the Defendant of Sections 5(a) and 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77e(a), 77e(c) and 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.

On May 29, 1997 this Court entered an Order of Permanent Injunction against Johnston, by consent, which restrained and enjoined him from further violations of the

above-mentioned provisions of the federal securities laws and granted the Commission an accounting, among other things.

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.

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

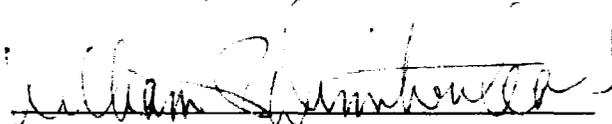
IT IS FURTHER ORDERED that Defendant pay disgorgement in the amount of \$600,000. representing his gains from the conduct alleged in the Complaint, plus pre-judgment interest. Based upon Defendant's sworn representations in his Statement of Financial Condition dated January 25, 1999, and submitted to the Commission, payment of all but \$ 5,000. in disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition. Payment of the \$ 5,000. in disgorgement shall be made payable to the Securities and Exchange Commission within thirty days of the date of this order. Postjudgment interest shall accrue at the rate specified in 28 U.S.C. §1961 when payment is due. Such payment shall be made by U S postal money order, certified check, bank cashier's check or bank money order. Such payment shall be transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter that identifies Johnston, the caption and case number of this action and the name of this Court. Copies of such check and accompanying cover letter shall be

simultaneously transmitted to the Regional Director Southeast Regional Office, 1401 Brickell Ave. Suite 200, Miami, FL 33131.

IT IS FURTHER ORDERED that based upon Defendant's sworn representations in his Statement of Financial Condition dated January 25, 1999, 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 \$600,000. in disgorgement, plus 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 9 day of April, 1999 in chambers in Ft. Lauderdale, Florida.


UNITED STATES DISTRICT JUDGE

cc:
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