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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

LEONARD ALEXANDER RUGE,
RICHARD WOLFF,
MAC BEAGLEMAN,
MICHAEL SCOTT SYMONS,
RICHARD BALBER,
STEPHEN EVERS,
EUGENE FLAKSMAN,
MARK FURMAN,
ALEX GRINSHPON,
DANIEL KOLCHKOV,
JEFF SANDERS,
ALEX SOLON,
MARK ZABORSKY, and
JEFFERY STONE,

Defendants.

97 Civ. 9306 (ALB)

FINAL JUDGMENT
OF PERMANENT
INJUNCTION AND
OTHER RELIEF
BY CONSENT AGAINST
MAC BEAGLEMAN

Plaintiff Securities and Exchange Commission ("Commission"), having commenced this action by filing a complaint on December 18, 1997 for a permanent injunction and other equitable relief, and defendant Mac Beagleman having executed the attached Consent in which, without admitting or denying the allegations of the complaint, he admits the in personam jurisdiction of this Court over him, the jurisdiction of this Court over the subject matter of this action, and the service of the summons and complaint on him, withdraws his answer to the extent it denies any allegations in the complaint, waives the entry of findings of fact and conclusions of law pursuant of Rule 52 of the Federal Rules of Civil Procedure, and consents to the entry, without further notice, of this Final

Judgment of Permanent Injunction and Other Relief by Consent Against Mac Beagleman, and there being no just reason for delaying the entry of this Final Judgment:

I

IT IS ORDERED, ADJUDGED, AND DECREED that defendant Beagleman and his officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them, are hereby permanently enjoined and restrained, directly or indirectly, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, from:

- (1) employing any device, scheme, or artifice to defraud;
- (2) obtaining money or property by means of any untrue statement of material fact or any omission 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; and
- (3) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser,

in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that defendant Beagleman and his officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them, are hereby permanently enjoined and restrained, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce or the mails, or of any facility of any national securities exchange, from:

- (1) employing any device, scheme, or artifice to defraud;
- (2) making any untrue statement of a material fact or omitting 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; and
- (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commission's claim for disgorgement against Beagleman in this civil action is satisfied by the restitution ordered in United States v. Mac Beagleman, 97 Cr. 1277 (S.D.N.Y.) (JSR).

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including the implementation and enforcement of this Final Judgment.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed consent be, and the same hereby is, incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, there being no just reason for delay, the clerk of Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

CONSENT OF MAC BEAGLEMAN

1. Defendant Mac Beagleman, having read and understood the terms of the Final Judgment of Permanent Injunction and Other Relief by Consent against Mac Beagleman, having admitted the jurisdiction of this Court over him and over the subject matter of this civil action, having waived the entry of findings of fact and conclusions of the law pursuant to Rule 52 of the Federal Rules of Civil Procedure, and, without admitting or denying the allegations contained in the complaint of plaintiff Securities and Exchange Commission ("Commission") filed on December 18, 1997, except as to jurisdiction, which is admitted, hereby consents to the entry, without further notice, of this Final Judgment.

2. Beagleman agrees that this Consent shall be incorporated by reference in, and made part of, the Final Judgment to be presented to the Court for signature, filing and entry contemporaneously herewith.

3. Beagleman waives any rights he may have to appeal from the Final Judgment.

4. Beagleman acknowledges that any willful violation of any of the terms or provisions of the Final Judgment may place him in contempt of this Court and may subject him to civil or criminal sanctions.

5. Beagleman acknowledges that he enters into this Consent voluntarily and that no tender, offer, promise, threat, or representation of any kind has been made by the Commission or any member, officer, attorney, agent or representative thereof to induce him to enter into this Consent.

6. Beagleman acknowledges that no promise or representation has been made by the Commission or its staff with regard to: (a) any criminal liability that may have arisen or may arise from the facts underlying this civil action; or (b) immunity from any such criminal liability.

7. Beagleman acknowledges that he has been informed and understands that the Commission, at its sole and exclusive discretion, may refer or grant access to this matter, or any information or evidence gathered in connection therewith or derived therefrom, to any person or entity having appropriate administrative, civil, or criminal jurisdiction.

8. Beagleman acknowledges and agrees that this proceeding and his Consent are for the purposes of resolving this proceeding only, in conformity with the provisions of 17 C.F.R. 202.5(f), and do not resolve, affect, or preclude any other proceeding which may be brought against him. Consistent with the provisions of 17 C.F.R. 202.5(f), Beagleman waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Beagleman acknowledges that the Court's entry of a permanent injunction may have collateral consequences under federal or state law and the rules and regulations of self-regulatory organizations, licensing boards, and other regulatory organizations. Such collateral consequences include, but are not limited to, a statutory disqualification with respect to membership or participation in, or association with a member of, a self-regulatory organization. This statutory disqualification has consequences that are separate from any sanction imposed in an administrative proceeding.

9. Beagleman acknowledges that neither this Consent nor the annexed Final Judgment precludes the Commission from instituting administrative proceedings against Beagleman based upon or relating to any of the matters alleged in the complaint herein or upon the entry of the annexed Final Judgment.

10. Beagleman acknowledges that the Final Judgment, including this Consent, embodies the entire understanding of the parties.

11. Beagleman understands and agrees to comply with the Commission's policy "not to permit a defendant or respondent to consent to a judgment or order that imposes a sanction while denying the allegation in the complaint or order for proceedings" (17 C.F.R. § 202.5(c)). In compliance with this policy, Beagleman agrees (i) not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any allegation in the complaint or creating the impression that the complaint is without factual basis; and (ii) that upon the filing of this Consent and Final Judgment, Beagleman hereby withdraws any papers previously filed in this proceeding to the extent that they deny, directly or indirectly, any allegation in the Complaint. If Beagleman breaches this agreement, the Commission's Division of Enforcement may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this provision affects Beagleman's: (a) testimonial obligations; or (b) right to take legal or factual positions in litigation in which the Commission is not a party.

12. Beagleman acknowledges and agrees that the Commission's claim for disgorgement against Beagleman in this civil action is satisfied by the restitution ordered in United States v. Mac Beagleman, 97 Cr. 1277 (S.D.N.Y.) (JSR).

13. Beagleman waives any rights under the Equal Access to Justice Act, the Small Business Regulatory Enforcement Fairness Act of 1996 or any other provision of law to pursue reimbursement of attorney's fees or other fees, expenses or costs expended by Beagleman to defend against this action. For these purposes, Beagleman agrees that he is not the prevailing party in this action since the parties have reached a good faith settlement.

14. Beagleman consents and agrees that the Final Judgment may be presented by the Commission to the Court for signature and entry without further notice and delay.

15. Beagleman agrees that first-class mail to him at:

Mac Beagleman
c/o Michael Krome, Esq.
8 Teak Court
Lake Grove, New York 11755

shall be deemed personal service for all correspondence, service and notices as to any matter related to this Consent and the Final Judgment, unless Beagleman notifies the Commission of any alternative address by first-class mail at the following address:

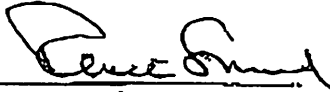
U.S. Securities and Exchange Commission
Northeast Regional Office
233 Broadway
New York, New York 10279
Attn: James E. Burt IV

Date: Sept 26, 2002

By: Mac Beagleman
Mac Beagleman

State of NY)
) ss.:
County of Nassau)

On this 26 day of Sept 2002, before me personally came Mac Beagleman, to me known and known to me to be the person who executed the foregoing Consent of Mac Beagleman, and he acknowledged to me that he executed the same.



Notary Public

My Commission expires: 7/3/15

RENEE SMITH
NOTARY PUBLIC, STATE OF N.Y.
NO. 4796511
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 7/31

SO ORDERED:

Date: , 2002
New York, New York


United States District Judge 6/26/03

