

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

ARTHUR L. TOLL, BRUCE B. EDMONDSON,
GERALD LEVINSON, and ELLIOT S. FISHER,

Defendants.

CIVIL ACTION
No. 98-CV-2325
(Hutton, H.)

FILED OCT 31 2002

**FINAL CONSENT JUDGMENT OF PERMANENT INJUNCTION
AS TO GERALD LEVINSON**

Plaintiff Securities and Exchange Commission (the "Commission") having commenced this action by filing a Complaint for Injunctive and Other Relief (the "Complaint") charging Defendant Gerald Levinson ("Levinson") with violations of Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), Sections 10(b) and 13(b)(5) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78j(b) and 78m(b)(5), and Rules 10b-5, 13b2-1, and 13b2-2 thereunder, 17 C.F.R. §§ 240.10b-5, 240.13b2-1, and 240.b2-2, and, as a controlling person of Regal Communications Corp. ("Regal") for Regal's violations of Sections 13(a) and 13(b)(2) of the Exchange Act, 15 U.S.C. §§ 78m(a) and 78m(b)(2), and Rules 12b-20, 13a-1, and 13a-13 thereunder, 17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13; and Defendant Levinson, having withdrawn his answer, having executed the annexed Consent of Gerald Levinson ("Consent"), having waived the entry of findings of fact and conclusions of law

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NOV 1 2002
CLERK OF COURT

pursuant to Rule 52 of the Federal Rules of Civil Procedure, having admitted to the jurisdiction of this Court, and, without admitting or denying the allegations contained in the Complaint, except as to jurisdiction, which is admitted, and having consented to the entry of this Final Consent Judgment Of Permanent Injunction As To Gerald Levinson ("Final Judgment") without further notice:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Levinson be and hereby is permanently enjoined and restrained, directly or indirectly, singly or in concert, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of 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; or
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 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Levinson be and hereby is permanently enjoined and restrained, directly or indirectly, singly or in concert, 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 light of the circumstances under which they were made, not misleading;
or
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).

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Levinson be and hereby is permanently enjoined and restrained, directly or indirectly, singly or in concert, from knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act, 15 U.S.C. § 78m(b)(2), in violation of Section 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5), or falsifying or causing to be falsified any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act, 15 U.S.C. § 78(b)(2)(A), in violation of Rule 13b2-1, 17 C.F.R. § 240.13b2-1.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Levinson, while a director or officer of an issuer, be and hereby is permanently enjoined and restrained, directly or indirectly, singly or in concert, from making or causing to be made a materially false or misleading statement, or omitting to state, or causing another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to an accountant in connection with (1) any audit or examination of the financial statements of the issuer required to be made pursuant to Commission regulations, or (2) the preparation or filing of any document or report required to be filed with the Commission, in violation of Rule 13b2-2, 17 C.F.R. § 240.13b2-2.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Levinson, while he directly or indirectly controls an issuer within the meaning of Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), be and hereby is permanently enjoined and restrained from acting or omitting to act if such act or omission would result or results in such issuer failing to file with the Commission such annual and quarterly reports as the Commission has prescribed or failing to include, in addition to the information expressly required to be included in a statement or report, such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading, in violation of Section 13(a) of the Exchange Act, 15 U.S.C. § 78m(a), and Rules 12b-20, 13a-1, and 13a-13, 17 C.F.R. 240 §§ 240.12b-20, 240.13a-1, and 240.13a-13, unless Levinson acted in good faith and did not

directly or indirectly induce the act or omission constituting such violation(s) within the meaning of Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Levinson, while he directly or indirectly controls an issuer within the meaning of Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a), be and hereby is permanently enjoined and restrained from acting or omitting to act if such act or omission would result or results in such issuer (a) failing to make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer; or (b) failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, or any other criteria applicable to such statements, and to maintain accountability for assets; (iii) access to reports is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences, in violation of Section 13(b)(2) of the Exchange Act, 15 U.S.C. § 78m(b)(2), unless Levinson acted in good faith and did not directly or indirectly induce the act or omission constituting such violation(s) within the meaning of Section 20(a) of the Exchange Act, 15 U.S.C. § 78t(a).

VII.

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

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of the annexed Consent be, and hereby are, incorporated herein with the same force as if fully set forth herein.

IX.

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.

X.

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

CONSENT OF GERALD LEVINSON

1. Defendant, Gerald Levinson ("Levinson"), having read and understood the terms of the Final Consent Judgment Of Permanent Injunction And Other Relief As To Gerald Levinson (the "Final Judgment"), admits the jurisdiction of this Court, waives the entry of findings of fact and conclusions of 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 (the "Commission"), except as to jurisdiction, which is admitted, hereby consents to the entry, without further notice, of the Final Judgment.

2. Levinson 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. Levinson waives any right he may have to appeal from the Final Judgment.

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

5. Levinson agrees that he will not oppose the enforcement of the Final Judgment on the ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of Civil Procedure, and hereby waives any objection he may have based thereon.

6. Levinson acknowledges that the Final Judgment, including this Consent, embodies the entire understanding of the parties regarding this proceeding.

7. Levinson acknowledges that he enters into this Consent voluntarily, and that no tender, offer, promise, threat or representation of any kind has been made by plaintiff

Commission or any member, officer, attorney, agent, or representative thereof, to induce him to enter into this Consent.

8. Levinson also acknowledges that no promise or representation has been made by plaintiff Commission or its staff with regard to: (1) any criminal liability that may have arisen or may arise from the facts underlying this action; or (2) immunity from any such criminal liability.

9. Levinson acknowledges that he has been informed and understands that Plaintiff 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.

10. Levinson 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), Levinson waives any claim of Double Jeopardy based upon the settlement of this proceeding, including the imposition of any remedy or civil penalty herein. Levinson 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.

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

12. Levinson 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 allegations in the complaint or order for proceedings," 17 C.F.R. §202.5. In compliance with this policy, Levinson 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, Levinson hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Levinson breaches this agreement, the Commission may petition the Court to vacate the Final Judgment and restore this action to its active docket. Nothing in this provision affects Levinson's (i) testimonial obligations or (ii) right to take legal positions in litigation in which the Commission is not a party.

13. Levinson hereby 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.

Dated: 8/22, 2002

By:

Gerald Levinson
GERALD LEVINSON

STATE OF

Pennsylvania

COUNTY OF

ss.:
Philadelphia

On this 22nd day of August, 2002, before me personally appeared Gerald Levinson, to me known to be the person who executed the foregoing Consent.

Catherine Van Arsdale
NOTARY PUBLIC

SO ORDERED:

Dated: October 31, 2002
Philadelphia, Pennsylvania

Notarial Seal
Catherine A. Van Arsdale, Notary Public
City Of Philadelphia, Philadelphia County
My Commission Expires Nov. 25, 2005
Member, Pennsylvania Association Of Notaries

[Signature]
Honorable
UNITED STATES DISTRICT JUDGE

The parties entitled to be notified of the entry hereof and the names and addresses of their respective attorneys, if any, are:

Plaintiff:

Senior Associate Regional Director (Enforcement)
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