

MC

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTHERN FLORIDA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PHEBE W. ERDMAN, HANS L.
ERDMAN and DAVID M. LEMON,

Defendants, and

REBECCA W. ERDMAN and
LESLIE CHEKIN,

Relief-defendants.

Case No. 98-6500-CIV-
DIMITROULEAS

**FINAL JUDGMENT OF
PERMANENT INJUNCTION
AGAINST DEFENDANT
HANS L. ERDMAN**

Plaintiff SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"),
having filed a COMPLAINT herein, and Defendant HANS L. ERDMAN
("ERDMAN"), in the annexed CONSENT OF DEFENDANT HANS L. ERDMAN
("CONSENT"), having entered a general appearance herein; having
admitted to the jurisdiction of this Court over him and over the
subject matter of this action; having waived the filing of an
Answer to the COMPLAINT; having waived the entry of findings of
fact and conclusions of law under Rule 52 of the Federal Rules of
Civil Procedure with respect to this FINAL JUDGMENT OF PERMANENT

5/2/99

INJUNCTION AGAINST DEFENDANT HANS L. ERDMAN ("FINAL JUDGMENT"); and, without admitting or denying the allegations of the COMPLAINT, except as to jurisdiction and service, which he admits, having consented to the entry of this FINAL JUDGMENT permanently restraining and enjoining him from violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5]; Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]; Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)]; and it further appearing that this Court has jurisdiction over Defendant ERDMAN and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant ERDMAN, his officers, agents, servants, employees, attorneys, successors and assigns, and all persons in active concert or participation with them who receive actual notice of this FINAL JUDGMENT by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating 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], by, directly or indirectly, using any means or instrumentality of interstate commerce, or the mails, or any facility of any national securities exchange:

- (1) to employ any device, scheme or artifice to defraud;

(2) to make 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) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

in connection with the purchase or sale of any security.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant ERDMAN, his officers, agents, servants, employees, attorneys, successors and assigns, and all persons in active concert or participation with them who receive actual notice of this FINAL JUDGMENT by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)], by using any means or instruments of transportation or communication in interstate commerce, or using the mails, directly or indirectly:

(1) to employ any device, scheme, or artifice to defraud;

(2) to 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 the light of the circumstances under which they were made, not misleading; or

(3) to engage in any transaction, act, practice, or course of business which operates or would operate as a fraud upon any purchaser, in the offer or sale of any security.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant ERDMAN, his officers, agents, servants, employees, attorneys, successors and assigns, and all persons in active concert or participation with them who receive actual notice of this FINAL JUDGMENT by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)], by, in the absence of any applicable exemption, directly or indirectly:

(1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise, unless a registration statement is in effect as to such security;

(2) for the purpose of sale or for delivery after sale, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any security, unless a registration statement is in effect as to such security; and

(3) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or

medium of a prospectus or otherwise, any security, unless a registration statement has been filed as to such security, or while a registration statement as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant ERDMAN pay disgorgement in the amount of \$55,240, representing his gains from the conduct alleged in the COMPLAINT, plus prejudgment interest thereon calculated at the rate established quarterly by the U. S. Internal Revenue Service for tax underpayments, compounded quarterly. Based upon Defendant ERDMAN's sworn representations in his Statement of Financial Condition dated May 28, 1998, and submitted to the COMMISSION, payment of the disgorgement and the prejudgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based upon Defendant ERDMAN's sworn representations in his Statement of Financial Condition dated May 28, 1998, and submitted to the COMMISSION, the Court is not ordering him to pay a civil monetary 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. § 77u(d)]. The determination not to impose a civil

penalty and to waive payment of the disgorgement and prejudgment 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 ERDMAN'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 ERDMAN, petition this Court for an order requiring Defendant ERDMAN to pay disgorgement, prejudgment and postjudgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant ERDMAN 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 ERDMAN 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 ERDMAN may not, by way of defense to such petition, challenge the validity of the CONSENT or this 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 monetary penalty should not be ordered.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed CONSENT be, and hereby is, incorporated by reference herein with the same force and effect as if fully set forth herein.


VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over Defendant ERDMAN as a party to this matter for all purposes including implementation and enforcement of the terms and conditions of this FINAL JUDGMENT and discovery.

VIII.

There being no just reason for delay, the Clerk of the Court is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this FINAL JUDGMENT forthwith.

DONE AND ORDERED at Fort Lauderdale, Florida, this 8
day of January, 1999.


UNITED STATES DISTRICT JUDGE

Copies to:

~~Ph~~
Phebe Edman

David Marder, Esq.

Hans Erdman

Leslie Chetkin

David Lewont

Rebecca Erdman

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTHERN FLORIDA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

PHEBE W. ERDMAN, HANS L.
ERDMAN and DAVID M. LEMON,

Defendants, and

REBECCA W. ERDMAN and
LESLIE CHEKIN,

Relief-defendants.

Case No. 98-6500-CIV-
DIMITROULEAS

CONSENT OF
DEFENDANT
HANS L. ERDMAN

1. Defendant HANS L. ERDMAN ("ERDMAN"), acknowledging service of the COMPLAINT in this action, and having entered a general appearance, consents to the jurisdiction of this Court over him and over the subject matter of this action.


2. Defendant ERDMAN, without admitting or denying the allegations of the COMPLAINT filed herein, except for jurisdiction and service, which he admits, and consistent with

Initials 

the provisions of 17 C.F.R. § 202.5(e), hereby consents to the entry of the FINAL JUDGMENT OF PERMANENT INJUNCTION AGAINST DEFENDANT HANS L. ERDMAN in the form annexed hereto ("FINAL JUDGMENT"), and incorporated by reference herein, which:


a. permanently restrains and enjoins Defendant ERDMAN from directly or indirectly engaging in transactions, acts, practices or courses of business which constitute or would constitute violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5]; Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]; and Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)];

b. does not impose or order the payment of civil monetary penalties under 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. § 78u(d)(3)], and waives the payment of disgorgement of \$55,240 and prejudgment interest thereon, in light of the representations Defendant ERDMAN has made to the Plaintiff SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") in his sworn Statement of Financial Condition dated May 28, 1998, which demonstrate that Defendant ERDMAN is financially unable to pay any civil monetary penalty or disgorgement.

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3. Defendant ERDMAN agrees and undertakes to disgorge \$55,240, representing his gains from the conduct alleged in the Complaint, plus prejudgment interest thereon calculated at the rate established quarterly by the U. S. Internal Revenue Service for tax underpayments, compounded quarterly, provided, however, that such disgorgement and prejudgment interest is waived based upon Defendant ERDMAN's sworn Statement of Financial Condition dated May 28, 1998 and submitted to the COMMISSION.

4. Defendant ERDMAN acknowledges and agrees that the Court is not imposing 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. § 78u(d)(3)], or requiring payment of disgorgement and prejudgment interest thereon conditioned upon the accuracy and completeness of Defendant ERDMAN's sworn Statement of Financial Condition dated May 28, 1998 and submitted to the COMMISSION. Defendant ERDMAN further consents that if at any time following the entry of the FINAL JUDGMENT the COMMISSION obtains information indicating that Defendant ERDMAN'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 ERDMAN, petition the Court for an order requiring Defendant ERDMAN to pay disgorgement of \$55,240, prejudgment and postjudgment interest

Initials 

thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant ERDMAN 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 any such petition, the COMMISSION may move the Court to consider all available remedies, including, but not limited to, ordering Defendant ERDMAN to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of the Court's FINAL JUDGMENT, and the COMMISSION may also request additional discovery. Defendant ERDMAN may not, by way of defense to such petition, challenge the validity of this CONSENT or the Court's 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 monetary penalty should not be ordered.

5. Defendant ERDMAN hereby waives and relinquishes any claim that he may have against any fund of assets to be created from assets disgorged by, or otherwise obtained from, any of the Defendants in this action, the purpose of which is to recompense investors who suffer or have suffered losses as a result of securities offered and sold by any of the Defendants in this action, and that he will forbear from making or causing to be made on his behalf any claim against any such fund.

Initials 

6. Defendant ERDMAN waives the filing of an Answer and waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

7. Defendant ERDMAN waives any right he may have to appeal from the entry of the FINAL JUDGMENT.

8. Defendant ERDMAN enters into this CONSENT voluntarily and of his own accord and represents that no offers, promises, inducements or threats have been made by the COMMISSION, or any member, officer, agent, employee or representative thereof to induce him to enter into this CONSENT.

9. Defendant ERDMAN acknowledges that a violation of any of the terms or provisions of the FINAL JUDGMENT may place him in contempt of this Court and subject him to civil or criminal penalties.

10. Defendant ERDMAN agrees that this CONSENT shall be incorporated by reference in the FINAL JUDGMENT as if fully set forth therein.

11. Defendant ERDMAN 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 he hereby waives any objection he may have based thereon.

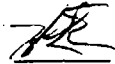
12. Defendant ERDMAN agrees that the FINAL JUDGMENT may be presented by the COMMISSION to the Court for signature and entry without further notice.

Initials 

13. Defendant ERDMAN waives service of the FINAL JUDGMENT entered herein upon him and agrees that entry of the FINAL JUDGMENT by the Court and filing with the Clerk of the Court in the United States District Court for the Southern District of Florida will constitute notice to him of the terms and conditions of the FINAL JUDGMENT.

14. Consistent with the provisions of 17 C.F.R. § 202.5(f), Defendant ERDMAN waives any claim of double jeopardy based on the settlement of this proceeding, including imposition of any remedy or civil penalty herein.

15. Defendant ERDMAN 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(e)). In compliance with this policy, Defendant ERDMAN 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, Defendant ERDMAN hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Defendant ERDMAN breaches this agreement, the COMMISSION may petition the Court to vacate the FINAL JUDGMENT and restore this case to its active docket. Nothing in this paragraph affects Defendant ERDMAN's

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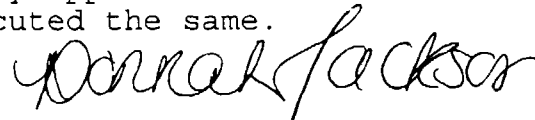
testimonial obligations or his right to take legal positions in litigation in which the COMMISSION is not a party.

16. Defendant ERDMAN agrees that this Court shall retain jurisdiction over him as a party to this matter for all purposes including implementation and enforcement of the terms and conditions of the FINAL JUDGMENT and discovery.

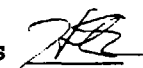
17. Defendant ERDMAN hereby acknowledges and agrees that the FINAL JUDGMENT is issued without prejudice to the Commission seeking to modify the terms of the FINAL JUDGMENT should the Commission learn of the existence of any gains Defendant ERDMAN received in connection with the activities described in the Complaint which are not known to the Commission at the time that the Commission files this CONSENT and the FINAL JUDGMENT.


HANS L. ERDMAN

On this 18th day of August, 1998, HANS L. ERDMAN, being known to me and who executed the foregoing CONSENT OF DEFENDANT HANS L. ERDMAN, personally appeared before me and did duly acknowledge to me that he executed the same.


Donna Jackson
my Commission
Expires 12/18/1999

Notary Public
My Commission expires: _____

Initials 

CERTIFICATE OF SERVICE

I, Peter W. Gillies, hereby certify that on December 14, 1998, I mailed a copy of the foregoing document to the following by first class mail:

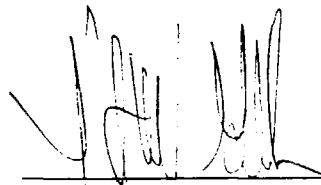
Mr. Hans L. Erdman
P.O. Box 212
Circle Pines, MN 55014

Ms. Rebecca Erdman
3804 Hazel Lane
Greensboro, NC 27408

Ms. Leslie Chekin
8523 Burlingwood Drive #12
Springfield, VA 22152

Ms. Phebe Erdman
4802 Tamaron Dr.
Greensboro, NC 27410

Mr. David Lemon
P.O. Box 674713
Marietta, GA 30006-0002



Peter W. Gillies

CERTIFICATE OF SERVICE

I, Peter W. Gillies, hereby certify that on December 14, 1998, I mailed a copy of the foregoing document to the following by first class mail:

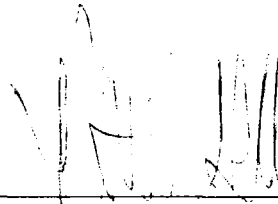
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Peter W. Gillies

MC

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTHERN FLORIDA

SECURITIES AND EXCHANGE
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Plaintiff,

v.

PHEBE W. ERDMAN, HANS L.
ERDMAN and DAVID M. LEMON,

Defendants, and

REBECCA W. ERDMAN and
LESLIE CHEKIN,

Relief-defendants.

Case No. 98-6500-CIV-
DIMITROULEAS

**FINAL JUDGMENT OF
PERMANENT INJUNCTION
AGAINST DEFENDANT
HANS L. ERDMAN**

Plaintiff SECURITIES AND EXCHANGE COMMISSION ("COMMISSION"),
having filed a COMPLAINT herein, and Defendant HANS L. ERDMAN
("ERDMAN"), in the annexed CONSENT OF DEFENDANT HANS L. ERDMAN
("CONSENT"), having entered a general appearance herein; having
admitted to the jurisdiction of this Court over him and over the
subject matter of this action; having waived the filing of an
Answer to the COMPLAINT; having waived the entry of findings of
fact and conclusions of law under Rule 52 of the Federal Rules of
Civil Procedure with respect to this FINAL JUDGMENT OF PERMANENT

5/2/99

INJUNCTION AGAINST DEFENDANT HANS L. ERDMAN ("FINAL JUDGMENT"); and, without admitting or denying the allegations of the COMPLAINT, except as to jurisdiction and service, which he admits, having consented to the entry of this FINAL JUDGMENT permanently restraining and enjoining him from violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5]; Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]; Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)]; and it further appearing that this Court has jurisdiction over Defendant ERDMAN and the subject matter hereof, and the Court being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant ERDMAN, his officers, agents, servants, employees, attorneys, successors and assigns, and all persons in active concert or participation with them who receive actual notice of this FINAL JUDGMENT by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating 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], by, directly or indirectly, using any means or instrumentality of interstate commerce, or the mails, or any facility of any national securities exchange:

- (1) to employ any device, scheme or artifice to defraud;

(2) to make 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

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in connection with the purchase or sale of any security.

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(1) to employ any device, scheme, or artifice to defraud;

(2) to 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 the light of the circumstances under which they were made, not misleading; or

(3) to engage in any transaction, act, practice, or course of business which operates or would operate as a fraud upon any purchaser, in the offer or sale of any security.

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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant ERDMAN, his officers, agents, servants, employees, attorneys, successors and assigns, and all persons in active concert or participation with them who receive actual notice of this FINAL JUDGMENT by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)], by, in the absence of any applicable exemption, directly or indirectly:

(1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities through the use or medium of a prospectus or otherwise, unless a registration statement is in effect as to such security;

(2) for the purpose of sale or for delivery after sale, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any security, unless a registration statement is in effect as to such security; and

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medium of a prospectus or otherwise, any security, unless a registration statement has been filed as to such security, or while a registration statement as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant ERDMAN pay disgorgement in the amount of \$55,240, representing his gains from the conduct alleged in the COMPLAINT, plus prejudgment interest thereon calculated at the rate established quarterly by the U. S. Internal Revenue Service for tax underpayments, compounded quarterly. Based upon Defendant ERDMAN's sworn representations in his Statement of Financial Condition dated May 28, 1998, and submitted to the COMMISSION, payment of the disgorgement and the prejudgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition.

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, based upon Defendant ERDMAN's sworn representations in his Statement of Financial Condition dated May 28, 1998, and submitted to the COMMISSION, the Court is not ordering him to pay a civil monetary 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. § 77u(d)]. The determination not to impose a civil

penalty and to waive payment of the disgorgement and prejudgment 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 ERDMAN'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 ERDMAN, petition this Court for an order requiring Defendant ERDMAN to pay disgorgement, prejudgment and postjudgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant ERDMAN 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 ERDMAN 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 ERDMAN may not, by way of defense to such petition, challenge the validity of the CONSENT or this 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 monetary penalty should not be ordered.

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IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over Defendant ERDMAN as a party to this matter for all purposes including implementation and enforcement of the terms and conditions of this FINAL JUDGMENT and discovery.

VIII.

There being no just reason for delay, the Clerk of the Court is directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this FINAL JUDGMENT forthwith.

DONE AND ORDERED at Fort Lauderdale, Florida, this 8
day of January, 1999.


UNITED STATES DISTRICT JUDGE

Copies to:

~~Phoebe~~
Phoebe Edman

David Marder, Esq.

Hans Erdman

Leslie Chetkin

David Lewont

Rebecca Erdman

UNITED STATES DISTRICT COURT
DISTRICT OF SOUTHERN FLORIDA

SECURITIES AND EXCHANGE
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CONSENT OF
DEFENDANT
HANS L. ERDMAN

1. Defendant HANS L. ERDMAN ("ERDMAN"), acknowledging service of the COMPLAINT in this action, and having entered a general appearance, consents to the jurisdiction of this Court over him and over the subject matter of this action.


2. Defendant ERDMAN, without admitting or denying the allegations of the COMPLAINT filed herein, except for jurisdiction and service, which he admits, and consistent with

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the provisions of 17 C.F.R. § 202.5(e), hereby consents to the entry of the FINAL JUDGMENT OF PERMANENT INJUNCTION AGAINST DEFENDANT HANS L. ERDMAN in the form annexed hereto ("FINAL JUDGMENT"), and incorporated by reference herein, which:


a. permanently restrains and enjoins Defendant ERDMAN from directly or indirectly engaging in transactions, acts, practices or courses of business which constitute or would constitute violations of Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5]; Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)]; and Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. §§ 77e(a) and 77e(c)];

b. does not impose or order the payment of civil monetary penalties under 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. § 78u(d)(3)], and waives the payment of disgorgement of \$55,240 and prejudgment interest thereon, in light of the representations Defendant ERDMAN has made to the Plaintiff SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") in his sworn Statement of Financial Condition dated May 28, 1998, which demonstrate that Defendant ERDMAN is financially unable to pay any civil monetary penalty or disgorgement.

Initials 


3. Defendant ERDMAN agrees and undertakes to disgorge \$55,240, representing his gains from the conduct alleged in the Complaint, plus prejudgment interest thereon calculated at the rate established quarterly by the U. S. Internal Revenue Service for tax underpayments, compounded quarterly, provided, however, that such disgorgement and prejudgment interest is waived based upon Defendant ERDMAN's sworn Statement of Financial Condition dated May 28, 1998 and submitted to the COMMISSION.

4. Defendant ERDMAN acknowledges and agrees that the Court is not imposing 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. § 78u(d)(3)], or requiring payment of disgorgement and prejudgment interest thereon conditioned upon the accuracy and completeness of Defendant ERDMAN's sworn Statement of Financial Condition dated May 28, 1998 and submitted to the COMMISSION. Defendant ERDMAN further consents that if at any time following the entry of the FINAL JUDGMENT the COMMISSION obtains information indicating that Defendant ERDMAN'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 ERDMAN, petition the Court for an order requiring Defendant ERDMAN to pay disgorgement of \$55,240, prejudgment and postjudgment interest

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thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant ERDMAN 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 any such petition, the COMMISSION may move the Court to consider all available remedies, including, but not limited to, ordering Defendant ERDMAN to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of the Court's FINAL JUDGMENT, and the COMMISSION may also request additional discovery. Defendant ERDMAN may not, by way of defense to such petition, challenge the validity of this CONSENT or the Court's 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 monetary penalty should not be ordered.

5. Defendant ERDMAN hereby waives and relinquishes any claim that he may have against any fund of assets to be created from assets disgorged by, or otherwise obtained from, any of the Defendants in this action, the purpose of which is to recompense investors who suffer or have suffered losses as a result of securities offered and sold by any of the Defendants in this action, and that he will forbear from making or causing to be made on his behalf any claim against any such fund.

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6. Defendant ERDMAN waives the filing of an Answer and waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure.

7. Defendant ERDMAN waives any right he may have to appeal from the entry of the FINAL JUDGMENT.

8. Defendant ERDMAN enters into this CONSENT voluntarily and of his own accord and represents that no offers, promises, inducements or threats have been made by the COMMISSION, or any member, officer, agent, employee or representative thereof to induce him to enter into this CONSENT.

9. Defendant ERDMAN acknowledges that a violation of any of the terms or provisions of the FINAL JUDGMENT may place him in contempt of this Court and subject him to civil or criminal penalties.

10. Defendant ERDMAN agrees that this CONSENT shall be incorporated by reference in the FINAL JUDGMENT as if fully set forth therein.

11. Defendant ERDMAN 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 he hereby waives any objection he may have based thereon.


12. Defendant ERDMAN agrees that the FINAL JUDGMENT may be presented by the COMMISSION to the Court for signature and entry without further notice.

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13. Defendant ERDMAN waives service of the FINAL JUDGMENT entered herein upon him and agrees that entry of the FINAL JUDGMENT by the Court and filing with the Clerk of the Court in the United States District Court for the Southern District of Florida will constitute notice to him of the terms and conditions of the FINAL JUDGMENT.

14. Consistent with the provisions of 17 C.F.R. § 202.5(f), Defendant ERDMAN waives any claim of double jeopardy based on the settlement of this proceeding, including imposition of any remedy or civil penalty herein.

15. Defendant ERDMAN 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(e)). In compliance with this policy, Defendant ERDMAN 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, Defendant ERDMAN hereby withdraws any papers filed in this action to the extent that they deny any allegation in the Complaint. If Defendant ERDMAN breaches this agreement, the COMMISSION may petition the Court to vacate the FINAL JUDGMENT and restore this case to its active docket. Nothing in this paragraph affects Defendant ERDMAN's

Initials 

testimonial obligations or his right to take legal positions in litigation in which the COMMISSION is not a party.

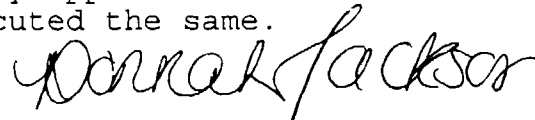
16. Defendant ERDMAN agrees that this Court shall retain jurisdiction over him as a party to this matter for all purposes including implementation and enforcement of the terms and conditions of the FINAL JUDGMENT and discovery.

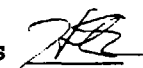
17. Defendant ERDMAN hereby acknowledges and agrees that the FINAL JUDGMENT is issued without prejudice to the Commission seeking to modify the terms of the FINAL JUDGMENT should the Commission learn of the existence of any gains Defendant ERDMAN received in connection with the activities described in the Complaint which are not known to the Commission at the time that the Commission files this CONSENT and the FINAL JUDGMENT.


HANS L. ERDMAN

On this 18th day of August, 1998, HANS L. ERDMAN, being known to me and who executed the foregoing CONSENT OF DEFENDANT HANS L. ERDMAN, personally appeared before me and did duly acknowledge to me that he executed the same.

Notary Public
My Commission expires: _____


Donna Jackson
my Commission
Expires 12/18/1999

Initials 

CERTIFICATE OF SERVICE

I, Peter W. Gillies, hereby certify that on December 14, 1998, I mailed a copy of the foregoing document to the following by first class mail:

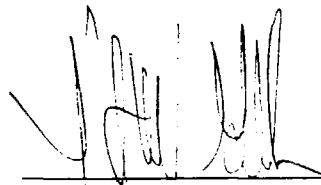
Mr. Hans L. Erdman
P.O. Box 212
Circle Pines, MN 55014

Ms. Rebecca Erdman
3804 Hazel Lane
Greensboro, NC 27408

Ms. Leslie Chekin
8523 Burlingwood Drive #12
Springfield, VA 22152

Ms. Phebe Erdman
4802 Tamaron Dr.
Greensboro, NC 27410

Mr. David Lemon
P.O. Box 674713
Marietta, GA 30006-0002



Peter W. Gillies

CERTIFICATE OF SERVICE

I, Peter W. Gillies, hereby certify that on December 14, 1998, I mailed a copy of the foregoing document to the following by first class mail:

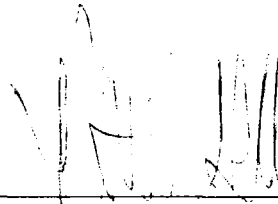
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Peter W. Gillies