

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE COMMISSION,
450 Fifth Street, N.W.
Washington, D.C. 20549

Plaintiff,

-v.-

RICHARD F. RUBIN,
EDWARD T. CREEVY,
RONALD H. HOLLANDSWORTH,
KYMBERLEE W. KULIS,

Defendants,

- and -

RICHARD F. RUBIN, as trustee,
HAZEL RUBIN, individually and as trustee, and
MEADOW LIMITED PARTNERSHIP,

Relief Defendants.

Civil Action No. 99-239
(RCL)

FILED

OCT 31 2003

NANCY MAYER WASHINGTON, CLERK
U.S. DISTRICT COURT

**FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER RELIEF AS TO DEFENDANT RICHARD F. RUBIN**

Plaintiff Securities and Exchange Commission ("Commission") having commenced this action by filing its Complaint, and subsequently filing an Amended and Supplemental Complaint (collectively "Complaint"), and defendant Richard F. Rubin ("Defendant" or "Rubin") having entered a general appearance; admitted the jurisdiction of this Court over him and the subject matter of this action; withdrawn his Answer and any papers filed in this action to the extent that they deny any allegations of the Complaint; waived the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure; without admitting or denying the allegations

of the Complaint, except as to jurisdiction, which he admits, consented to the entry of this Final Judgment; and waived any right to appeal from the Final Judgment; and it appearing that this Court has jurisdiction over Defendant and over the subject matter hereof:

I.

IT IS ORDERED, ADJUDGED AND DECREED that Defendant, his agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] by, directly or indirectly, using any means or instruments of transportation or communication in interstate commerce or by use of the mails to:

- (1) employ any device, scheme or artifice to defraud;
- (2) 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) engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser,

in the offer or sale of any securities.

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his agents, servants, employees, attorneys-in-fact, and all persons in active concert or

participation with them who receive actual notice of this Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from violating 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] promulgated thereunder by, directly or indirectly, using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange to:

- (1) employ any device, scheme or artifice to defraud;
- (2) make any untrue statement of a material fact or to omit 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) 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.

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing or knowingly failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)].

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from violating Rule 13b2-1 of the Exchange Act [17 C.F.R. § 240.13b2-1] by 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. § 78m(b)(2)(A)].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from violating Rule 13b2-2 of the Exchange Act [17 C.F.R. § 240.13b2-2] by, as a director or officer of any issuer:

- (1) making or causing to be made a materially false or misleading statement, or
- (2) 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 (a) any audit or examination of the financial statements of an issuer required to be made pursuant to the rules and regulations under the Exchange Act [17 C.F.R. §§ 240.0-1 et seq.], or (b) the preparation or filing of any document or report required to be filed with the Commission.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his agents, servants, employees, attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from aiding and abetting the filing with the Commission of any periodic report on behalf of any issuer pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Exchange Act Rules 12b-20, 13a-1 and 13a-13 [17 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13] promulgated thereunder, which contains any untrue statement of material fact, or which omits 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 which fails to comply in any material respect with the requirements of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and the rules and regulations thereunder.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant, his agents, servants, employees, and attorneys-in-fact, and all persons in active concert or participation with them who receive actual notice of the Final Judgment by personal service or otherwise are hereby permanently restrained and enjoined from, directly or indirectly, aiding and abetting the failure of any issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78I] or which is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)] to:

- (1) make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of the issuer, as required by Exchange Act Section 13(b)(2)(A) [15 U.S.C. § 78m(b)(2)(A)], or
- (2) devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that transactions are recorded as necessary
 - (a) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and
 - (b) to maintain accountability for assets, as required by Exchange Act Section 13(b)(2)(B) [15 U.S.C. § 78m(b)(2)(B)].

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant be, and hereby is, permanently prohibited, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], from acting as an officer or director of any issuer of securities that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l], or that is required to file reports pursuant to Section 15(d) of such Act [15 U.S.C. § 78o(d)].

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court is not ordering Defendant to pay disgorgement, prejudgment interest, or civil monetary penalties pursuant to Securities Act Section 20(d) and Exchange Act Sections 21(d)(3) and 21A, based on the criminal judgment entered against Rubin in U.S. v. Rubin, CR99-84 (E.D.N.Y.), on September 5, 2000, as amended on June 11, 2001, for conspiracy to

commit securities fraud, which is based on the same underlying conduct that is at issue in this civil action, whereby that court sentenced Rubin to twelve months and one day of imprisonment, three years of supervised release, and ordered Rubin to pay \$49,500,000 restitution.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent and Undertakings of Defendant Richard F. Rubin is incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

XI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

XII.

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

So ordered, this 31ST day of October, 2003.


UNITED STATES DISTRICT JUDGE