

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 00-9109-CIV-HURLEY/LYNCH

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION,

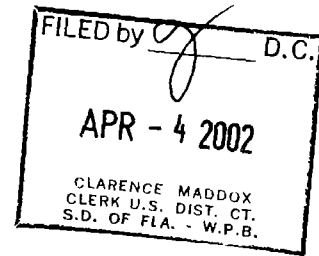
Plaintiff,

v.

KEITH GREENBERG, and  
COYOTE CONSULTING AND  
FINANCIAL SERVICES, LLP

Defendants.

**CLOSED CASE**



**FINAL JUDGMENT OF PERMANENT INJUNCTION  
BY DEFAULT AGAINST DEFENDANTS KEITH GREENBERG  
AND COYOTE CONSULTING AND FINANCIAL SERVICES LLP**

It appearing to this Court that plaintiff Securities and Exchange Commission ("SEC" or the "Commission"), having filed and served upon defendants Keith Greenberg ("Greenberg") and Coyote Consulting and Financial Services, LLP ("Coyote") (collectively "Defendants") a Complaint in this matter; the Clerk having entered a default against Defendants for failure to answer, plead, or otherwise defend this action within the time prescribed by law; Defendants having failed to answer, plead, or otherwise defend this action and having manifested no intention of defending this action; the Court having found that Defendants have defaulted in this action; and the Court, having reviewed the pleadings, records and files in this action and been otherwise advised, hereby rules on said motion and renders final judgment of permanent injunction in this cause as between the SEC and Defendants.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. This Court has personal jurisdiction over the parties hereto and the subject matter herein pursuant to Sections 20(b) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77t(b)] and Sections 21(d), 21(e), and 27 of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78u(d), 78u(e), and 78aa].

2. It appears from the Declaration of the SEC's counsel and the proof of service that was filed with the Clerk of this Court, that the Complaint, a valid summons, and other papers were duly served upon Defendants on January 30, 2001.

3. On April 11, 2001, plaintiff filed proof of service of the summons and Complaint with this Court.

4. As of the date of plaintiff's Proposed Final Judgment, Defendants have failed to plead or otherwise defend in response to the SEC's Complaint as required by Rule 12 of the Federal Rules of Civil Procedure.

5. Plaintiff filed an application for entry of default with the Clerk of this Court pursuant to Rule 55(a) on August 2, 2001. That same day the Clerk entered a default, pursuant to Rule 55(a) of the Federal Rules of Civil Procedure, against the Defendants.

6. It appears from the Declaration of the SEC's counsel that defendant Greenberg is not an infant or incompetent person.

7. By virtue of their failure to plead or otherwise defend, Defendants are deemed to have admitted the allegations in the SEC's Complaint. Accordingly, the Court finds that:

a. Greenberg knowingly and willfully violated Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] in that he, while using the jurisdictional means, in the offer and sale of securities,

- (i) employed devices, schemes, and artifices to defraud;
- (ii) obtained money and property by means of untrue statements of

material facts and omissions to state material facts necessary to make statements made, in light of the circumstances under which they were made, not misleading; and

(iii) engaged in transactions, practices, and courses of business which operated as a fraud on purchasers of securities;

b. Defendant Greenberg knowingly and willfully violated 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] in that he, using the jurisdictional means,

(i) employed devices, schemes, and artifices to defraud;

(ii) made untrue statements of material facts and omitted to state material facts necessary to make statements made, in light of the circumstances under which they were made, not misleading; and

(iii) engaged in acts, practices, and courses of business which operated as a fraud in connection with the purchase and sale of securities;

c. Defendant Greenberg aided and abetted violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and Rules 12b-20, 13a-1 and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13], in that he aided and abetted the filing with the SEC of a quarterly report on Form 10-QSB and an annual report of Form 10-KSB, on behalf of an issuer required to be filed with the SEC pursuant to Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and the rules and regulations promulgated thereunder, which contains a untrue statement of material fact, which omits to state any 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 omits to disclose any information required

to be disclosed.

d. Defendant Coyote violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by, through use of the jurisdictional means – and while acting as a broker within the meaning of Section 3(a)(4) of the Exchange Act -- effecting transactions in, or inducing or attempting to induce the purchase or sale of a security without being registered in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

e. Defendant Greenberg violated Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] as the control person of Coyote within the meaning of Section 20(a) of the Exchange Act [15 U.S.C. § 78t(a)]. Greenberg was a control person of Coyote because he controlled Coyote directly and indirectly, and is thereby jointly and severally liable for Coyote's violation of Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

10. The Court does not find it necessary to conduct a hearing or order a conference prior to entering final judgment of permanent injunction in this action or carrying its judgment into effect.

Accordingly,

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that plaintiff's Motion for Final Judgment of Permanent Injunction by Default Against Defendants Greenberg and Coyote is GRANTED.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Greenberg has

engaged and, unless enjoined, will continue to engage in acts which constitute and will constitute (i) violations of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] and Sections 10(b) and 15(a) of the Exchange Act [15 U.S.C. §§ 78j(b) and 78o(a)] and Rule 10b-5, thereunder [17 C.F.R. 240.10b-5]; and (ii) aiding and abetting of violations of Sections 13(a) of the Exchange Act [15 U.S.C. §78m(a)], and Rules 12b-20, 13a-1 and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Coyote has engaged and, unless enjoined, will continue to engage in acts which constitute and will constitute violations of Sections 15(a) of the Exchange Act [15 U.S.C. § 78o(a)].

IV.

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

- a. employing any device, scheme, or artifice to defraud;
- b. obtaining 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
- c. engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser,

in the offer or sale of any security.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Greenberg and his agents, servants, employees, and attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, hereby are permanently enjoined and restrained from violating Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. 240.10b-5], promulgated thereunder, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, by,

- a. employing any device, scheme, or artifice to defraud;
- b. 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
- c. engaging 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.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Greenberg and his agents, servants, employees, and attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, hereby are permanently enjoined and restrained from aiding and abetting violations of Sections 13(a) of the Exchange Act [15 U.S.C. § 78m(a)], and Rules 12b-20, 13a-1 and 13a-13 thereunder [17 C.F.R. §§ 240.12b-20, 240.13a-1, and 240.13a-13], by directly or indirectly, or by aiding and abetting the filing (or causing to be filed) with the SEC any quarterly or annual report on behalf of

any issuer required to be filed with the SEC pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and the rules and regulations promulgated thereunder, which contains any untrue statement of material fact, which omits to state any 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 omits to disclose any information required to be disclosed.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Greenberg and his agents, servants, employees, and attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, hereby are permanently enjoined and restrained from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by, while acting as a broker within the meaning of Section 3(a)(4) of the Exchange Act [15 U.S.C. §78c(a)(4)] -- effecting transactions in, or inducing or attempting to induce the purchase or sale of a security without being registered in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Coyote and its agents, servants, employees, and attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, hereby are permanently enjoined and restrained from violating Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)] by, while acting as a broker within the meaning of Section 3(a)(4) of the

Exchange Act ) [15 U.S.C. §78c(a)(4)] -- effecting transactions in, or inducing or attempting to induce the purchase or sale of a security without being registered in accordance with Section 15(b) of the Exchange Act [15 U.S.C. § 78o(b)].

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Greenberg is, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], hereby barred from acting as an officer or director of any issuer required to file reports 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 the Exchange Act [15 U.S.C. § 78o(d)].

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Greenberg and Coyote shall be jointly and severally liable for disgorgement in <sup>an</sup> ~~the amount of~~ ~~\$3,800,000.00 plus prejudgment interest in the amount of \$1,987,346.00.~~ <sup>to be later determined by the Court upon the Commission's motion upon due notice to defendants and following an evidentiary hearing:</sup>

X

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Greenberg shall liable for a civil penalty, pursuant to Section 21(d)(3) of the Exchange Act, in <sup>an</sup> ~~the amount of~~ ~~to be determined by the Court~~ <sup>upon due notice to defendant and following an evidentiary hearing to be later scheduled by the Court.</sup>

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Coyote shall liable for a civil penalty, pursuant to Section 21(d)(3) of the Exchange Act, in <sup>an</sup> ~~the amount of~~ ~~to be determined by the Court~~ <sup>upon due notice to defendant and following an evidentiary hearing to be later scheduled by the Court.</sup>




XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including enforcement and implementation of this Final Judgment which may include any discovery needed by the Commission to ascertain the location of all assets and identities of aliases and pseudonyms employed by Defendants, and to ensure Defendants' compliance with this Final Judgment.

XIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, there being no just reason for delay, the Clerk of the Court is directed to enter this Final Judgment of Permanent Injunction immediately and without further notice. *This case is CLOSED.*

Dated: *April 4*, 2002

  
DANIEL T. K. HURLEY  
UNITED STATES DISTRICT JUDGE

Copies provided to:

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