

FILED

UNITED STATES DISTRICT COURT  
for the  
MIDDLE DISTRICT OF FLORIDA

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MIDDLE DISTRICT OF FLORIDA  
ORLANDO, FLORIDA

SECURITIES AND EXCHANGE COMMISSION, )

Plaintiff )

v. )

JAMES T. STAPLES, JOSEPH A. MONACO,  
JENO K. KOCH, DAVID E. TROTTER AND  
ROBERT L. HEINTZ, )

Defendants. )

CIVIL ACTION NO.  
98-1061-CV-22-C

**AMENDED DEFAULT FINAL JUDGMENT OF PERMANENT INJUNCTION AND  
OTHER RELIEF AGAINST DEFENDANT JOSEPH A. MONACO**

A default having been entered against defendant Joseph A. Monaco ("Monaco") on February 10, 1999 for defendant's failure to file an Answer or otherwise defend this matter, the factual allegations against defendant Monaco being well pled in the Complaint and deemed admitted upon entry of the default against him, and the Court having jurisdiction over the defendant and the subject matter herein and otherwise being fully advised of the premises:

**I.**

**SALE OF UNREGISTERED SECURITIES IN VIOLATION  
OF SECTIONS 5(a) AND (c) OF THE SECURITIES ACT OF 1933**

**IT IS HEREBY ORDERED** that Monaco, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in the sale or offer to sell or purchase of any security, be and they hereby are, restrained and enjoined from, directly or indirectly:

- (1) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise; or
- (2) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or delivery after sale,

unless a registration is in effect as to such security or has been filed as to such security and the registration statement is not the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act in violation of Sections 5(a) and (c) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§77(e)(a) and (c).

## II.

### FRAUD IN VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT OF 1933

**IT IS HEREBY FURTHER ORDERED** that Monaco, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, 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 use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly, employing any devices, schemes or artifices to defraud purchasers of such securities in violation of Section 17(a)(1) of the Securities Act, 15 U.S.C. §77q(a)(1).

**III.**

**FRAUD IN VIOLATION OF SECTIONS 17(a)(2) AND (3)  
OF THE SECURITIES ACT OF 1933**

**IT IS HEREBY FURTHER ORDERED** that Monaco, his officers, agents, servants, employees, attorneys, and those persons in active participation with him and each of them, in connection with the offer or sale of any securities, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, be and they hereby are, restrained and enjoined from, directly or indirectly:

(1) obtaining money or property by means of untrue statements of material fact or any omission to state a material fact necessary in order to make statements made, in light of the circumstances under which they were made, not misleading; or

(2) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchasers,

in violation of Sections 17(a)(2) and (3) of the Securities Act, 15 U.S.C. §§77q(a)(2)and(3).

**IV.**

**FRAUD IN VIOLATION OF SECTION 10(b) OF THE SECURITIES  
EXCHANGE ACT OF 1934 AND RULE 10b-5 THEREUNDER**

**IT IS HEREBY FURTHER ORDERED** that Monaco, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, in connection with the purchase or sale of any security by use of any means or

instrumentality of interstate commerce or of the mails, or by use of any facility of any national securities exchange, be and they hereby are, restrained and enjoined from, directly or indirectly:

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

**V.**

**VIOLATION OF SECTION 15(a) OF THE EXCHANGE ACT**

**IT IS HEREBY FURTHER ORDERED** that defendant Monaco his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with him and each of them, are hereby permanently restrained and enjoined from, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of securities, while acting as a broker or dealer engaged in the business of effecting transactions in securities for the accounts of others, but not registered as a broker-dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a) (1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

**VI**

**INCORPORATION OF COMPLAINT AND ENTRY OF DEFAULT**

**IT IS HEREBY FURTHER ORDERED** that the factual allegations made against defendant Monaco in the Complaint are incorporated herein by reference as if fully set forth herein and are deemed admitted based on the default entered against defendant Monaco on February 10, 1999.

**VII.**

**DISGORGEMENT AND PENALTIES**

**IT IS HEREBY FURTHER ORDERED** that defendant Monaco shall be jointly and severally liable with all other defendants to disgorge all monies raised in connection with the offerings made by LSI Holdings, Inc. f/k/a Legend Sports, Inc. and Legend Sports, Inc. f/k/a Sirrine and Associates, Inc., as alleged in the Complaint, with pre-judgment interest. The amount of disgorgement shall be determined by the Court upon the Commission's motion.

**IT IS HEREBY FURTHER ORDERED** that defendant Monaco shall pay civil penalties 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), in connection with the activities described in the Commission's Complaint. The amount of civil penalties defendant Monaco shall pay, if any, shall be determined by the Court upon the Commission's motion.

**VIII.**

**NOTICES**

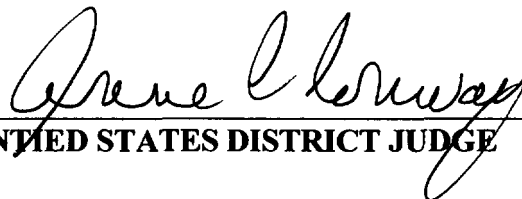
**IT IS HEREBY FURTHER ORDERED** that defendant Monaco shall provide the Commission, at all times during the pendency of this action, with his current address for purposes of service of filings and other communications. Such notice shall be provided in writing to the Regional Director, Securities and Exchange Commission, 1401 Brickell Avenue, Suite 200, Miami, Florida 33131. Should defendant Monaco fail to provide such notice, service by mail at defendant Monaco's last know address shall be deemed proper service.

**IX.**

**RETENTION OF JURISDICTION**

**IT IS HEREBY FURTHER ORDERED** that this Court will retain jurisdiction over this matter and defendant Monaco in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of the Court, and such other relief this Court deems appropriate.

**DONE AND ORDERED** at 6:15 o'clock (a.m.) p.m. this 21<sup>st</sup> day of October, 1999 at Orlando, Florida.

  
**UNITED STATES DISTRICT JUDGE**

cc: ~~John~~

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