

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
(Miami Division)

CASE NO. 99-2360-CIV-UNGARO-BENAGES

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

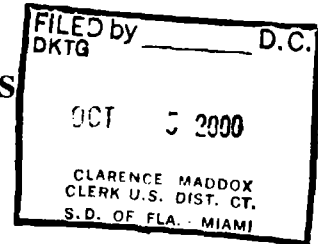
v.)

LATIN AMERICAN SERVICES CO., LTD.,)
CYPRUS FUNDS, INC., ERIC V. BARTOLI,)
DOUGLAS R. SHISLER, JAMES L. BINGE,)
PETER J. ESPOSITO,)

Defendants,)

B & S FARMS, INC., and FLANDERS)
INVESTMENT HOLDINGS LIMITED, INC.,)

Relief Defendants.)



**JUDGMENT OF PERMANENT INJUNCTION AND OTHER
RELIEF AS TO DEFENDANT JAMES L. BINGE**

Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against, among others, Defendant James L. Binge ("Defendant"). In its Complaint, the Commission sought a temporary restraining order, and preliminary and permanent injunctions to prohibit violations by the Defendant of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5, thereunder. The Commission also sought other relief against the Defendant in the form of accountings, disgorgement, civil penalties, records preservation, expedited discovery and an order temporarily freezing his assets.

On August 27, 1999, this Court entered a temporary restraining order, which temporarily restrained and enjoined the Defendant from further violations of the above-mentioned provisions of the federal securities laws; temporarily froze his assets; granted the Commission an accounting,

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expedited discovery, a prohibition against receipt or deposit of funds; and prohibited the concealing or destruction of the Defendant's books, records and other documents. On September 3, 1999, this Court entered a preliminary injunction against the Defendant, which kept in force the relief granted by the temporary restraining order.

Defendant, by the Consent affixed hereto, without admitting or denying any of the allegations in the Commission's Complaint or any other paper filed herein, except as to the jurisdiction of this Court, and with the SEC having preserved its right to seek further relief in the form of disgorgement plus prejudgment interest thereon, and to seek civil penalties as prayed for in the Complaint, has agreed to the entry of this Judgment of Permanent Injunction. This Court having accepted such Consent and this Court having jurisdiction over the Defendant and the subject matter hereof, and the Court being fully advised in the premises,

I.
VIOLATION OF SECTIONS 5(a)
AND 5(c) OF THE SECURITIES ACT

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant, his officers, agents, servants, employees, attorneys, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are permanently restrained and enjoined from, directly or indirectly:

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such security;
- (b) carrying or causing to be carried through the mails or in interstate commerce, by means or instruments of transportation, any security, in the form of units, common stock, warrants or any other security, for the purpose of sale or delivery after sale,

unless and until a registration statement is in effect with the Commission as to such security; or

(c) 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 any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is filed with the Commission as to such security, or while a registration statement filed with the Commission 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, in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

II.

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

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, in the offer or sale of any security, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- (a) knowingly employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of material fact or omission to state any material fact necessary in order to make the statement made, in light of the circumstances under which it was 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 purchasers or prospective purchasers of any such security,

in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3).

III.

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

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Judgment of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly and willfully, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, 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:

- (a) employing any device, scheme or artifice to defraud;
- (b) making any untrue statements of 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 violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

IV.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the Defendant shall disgorge all ill-gotten profits or proceeds that he received as a result of the acts and/or courses of conduct complained of herein, with prejudgment interest, as follows:

The Defendant shall be jointly and severally liable with Defendants Latin American

Services Co., Ltd., Cyprus Funds, Inc., Eric V. Bartoli, Douglas R. Shisler, and Peter J. Esposito to disgorge all amounts fraudulently raised from investors, less any monies that the Receiver distributes to defrauded investors. For this purpose, the Receiver's determination of the amount of monies fraudulently raised from investors shall be final. In the event that the Receiver does not determine the amount of monies fraudulently raised from investors, this amount shall be determined by the Court upon the Commission's motion without evidentiary hearing; solely for the purposes of this determination, the allegations of the Complaint shall be deemed admitted.

V.

PENALTIES

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the amount of civil penalties, if any, that the Defendant shall be required to pay 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, shall be determined by the Court upon the Commission's motion without evidentiary hearing; solely for the purposes of this determination, the allegations of the Complaint shall be deemed admitted.

VI.

RETENTION OF JURISDICTION

IT IS FURTHER HEREBY ORDERED that this Court will retain jurisdiction over this matter and the Defendant 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 this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED at 12 o'clock P.m. this 29 day of Sept., 2000 at Miami, Florida.


HONORABLE URSULA UNGARO-BENAGES
UNITED STATES DISTRICT JUDGE

Copies to: Teresa J. Verges, Esq.
Marc J. Gottlieb, Esq.
Joe Alfred Izen, Esq.
Mark S. Gallegos, Esq.
Michael B. Michelson, Esq.
Peter J. Esposito, Jr.