

**United States District Court**

CENTRAL DISTRICT OF ILLINOIS

**THIRD AMENDED  
JUDGMENT IN A CIVIL CASE****SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff**

vs.

Case Number: **02-2147****HOUSE ASSET MANAGEMENT, LLC; HOUSE EDGE LP;  
PAUL J. HOUSE, AND BRANDON R. MOORE,  
Defendants.**

**DECISION BY THE COURT.** This action came to trial or hearing before the Court. The issues have been tried or heard and a decision has been rendered.

**IT IS ORDERED** that the Order of Permanent Injunction dated June 20, 2002 (“Order of Permanent Injunction”) remains in full effect, except as otherwise provided in this Final Judgment, and is hereby incorporated by reference and attached hereto as Exhibit A. Notwithstanding the foregoing sentence, Sections VI and VIII of the June 20, 2002 Order of Permanent Injunction shall no longer apply to either Defendant House or Moore at any time after the entry of this Final Judgment. Further, as to Defendant House, the Court will not hold the hearing referenced in Section VII of the Order of Permanent Injunction because the Court resolved the matters to be decided at such hearing, as to Defendant House, in the Order of Partial Summary Judgment against Defendant House.

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant House pay disgorgement of \$2,914,796, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$233,291. Defendant House is jointly and severally liable for this disgorgement and prejudgment interest amount with any other defendant whom this Court orders to pay any disgorgement and/or interest payments in this lawsuit.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant Moore pay disgorgement of \$403,009.21 representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$40,242.81. Of this amount, Defendant Moore is (a) jointly and severally liable for \$249,343 in disgorgement and prejudgment interest in the amount of \$24,571.24 with Defendant House, and (b) individually liable for \$153,666.21 in disgorgement and prejudgment interest in the amount of \$15,671.57.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that civil penalties pursuant to Section 20 of the Securities Act of 1933 [15 U.S.C. § 77t] and Section 21 of the Securities Exchange Act of 1934 [15 U.S.C. § 78u] are appropriate against Defendant House and are hereby imposed against Defendant House in the amount of \$120,000.**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Moore shall pay a civil penalty in the amount of \$65,000 pursuant to Section 20 of the Securities Act of 1933 [15 U.S.C. § 77t] and Section 21 of the Securities Exchange Act of 1934 [15 U.S.C. § 78u].**

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to, enforcing the terms of this Final Judgment. The Clerk of Court is ordered to enter this Final Judgment forthwith and without further notice.**

**IT IS FURTHER ORDERED AND ADJUDGED pursuant to Order entered August 22, 2005 that the Order of Permanent Injunction dated June 20, 2002 (“Order of Permanent Injunction”) remains in full effect, except as otherwise provided in this Final Judgment, and is hereby incorporated by reference and is attached as Exhibit A to Order entered August 22, 2005.. Notwithstanding the foregoing sentence, Sections VI and VIII of the June 20, 2002 Order of Permanent Injunction shall no longer apply to Defendants House Edge, L.P. and House Asset Management, L.L.C. at any time after the entry of this Final Judgment.**

**IT IS FURTHER ORDERED AND ADJUDGED, AND DECREED that Defendants are jointly and severally liable, with Defendants Paul J. House, III (“House”) and Brandon R. Moore (“Moore”) with respect to the amounts of Defendants House and Moore were previously ordered to pay in disgorgement, for disgorgement of \$2,914,796 representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$270,870, for a total of \$3,185,666. Based on the proposed Final Accounting for the Court-appointed Receiver for the Defendants (“Receiver”) and other documents and information submitted to the Commission by the Receiver, however, the Court is not ordering Defendants to pay a civil penalty and payment of all but \$1,375,767 of the disgorgement and pre-judgment interest thereon is waived. Defendants shall also pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961. The determination not to impose a civil penalty and to waive payment of all but \$1,375,767 of the disgorgement and pre-judgment interest is contingent upon the accuracy and completeness of the Receiver’s Final Accounting. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendants’ 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 Defendants, petition the Court for an order requiring Defendants to pay the unpaid portion of the disgorgement, pre-judgment and post-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendants was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendants to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendants may not, by way of defense to such**

**petition: (1) challenge the validity of the Consent or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.**

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

**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.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED that neither the Court-appointed Receiver for House Edge, L.P. and House Asset Management, L.L.C., James L. Kopecky, nor his firm, James L. Kopecky, P.C., shall be liable for any disgorgement, prejudgment interest, or penalties ordered paid by Defendants as a result of this Final Judgment.**

**ENTER this 25th day of August, 2005.**

**s/ John M. Waters  
JOHN M. WATERS, CLERK**

**s/ S. Johnson  
BY: DEPUTY CLERK**