

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
(West Palm Beach Division)

SECURITIES AND EXCHANGE COMMISSION,

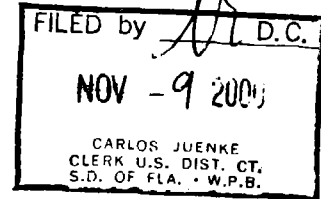
Plaintiff,

v.

WILLIAM S. CORDO, MITCHELL S. DAVIS AND  
JOHN A. BLOUNT,

Defendants,

) CASE NO.  
) 00-08392-CIV-  
) RYSKAMP



**FINAL JUDGMENT OF PERMANENT INJUNCTIVE AND  
OTHER RELIEF AS TO JOHN A. BLOUNT**

On or about May 15, 2000, Plaintiff, Securities and Exchange Commission ("Commission"), filed an action against Defendant John A. Blount ("Blount"); the Commission also sued additional Defendants who are not affected by this Order. Blount, by his 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, has agreed to the entry of this Final Judgment of Permanent Injunction and Other Relief ("Permanent Injunction"). This Court having accepted such Consent and this Court having jurisdiction over Blount and the subject matter hereof, and the Court being fully advised of the premises,

**I.**

**PERMANENT INJUNCTIVE RELIEF –  
SECTION 5 OF THE SECURITIES ACT**

**IT IS HEREBY ORDERED** that Blount, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are

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hereby permanently restrained and enjoined from directly or indirectly, (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities in the form of units, common stock, warrants or any other securities (including, but not limited to, interests in limited liability partnerships), 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 securities; (b) carrying securities, in the form of units, common stock, warrants or any other securities (including, but not limited to, interests in limited liability partnerships), or causing them to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale or for delivery after sale, unless and until a registration statement is in effect with the Commission as to such securities; 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, through the use or medium of any prospectus or otherwise, any securities, in the form of units, common stock, warrants or any other securities (including, but not limited to, interests in limited liability partnerships), unless a registration statement is filed with the Commission as to such securities, 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), provided, however, that nothing in the foregoing portion of this injunction shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act, 15 U.S.C. § 77e.

**II.**

**PERMANENT INJUNCTIVE RELIEF --  
SECTION 17(A)(1) OF THE SECURITIES ACT**

**IT IS HEREBY FURTHER ORDERED** that Blount, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby permanently restrained and enjoined from directly or indirectly, by use of any means or instruments of transportation or communication in interstate commerce, or by the use of the mails, in the offer or sale of securities (including, but not limited to, interests in limited liability partnerships), knowingly, willfully or recklessly employing devices, schemes or artifices to defraud, in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

**III.**

**PERMANENT INJUNCTIVE RELIEF --  
SECTIONS 17(A)(2) & (3) OF THE SECURITIES ACT**

**IT IS HEREBY FURTHER ORDERED** that Blount, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby permanently restrained and enjoined from directly or indirectly, by use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, in the offer or sale of securities (including, but not limited to, interests in limited liability partnerships), (i) obtaining money or property by means of untrue statements of material facts or omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or (ii) engaging in acts, practices and courses of business which have operated and will operate as a fraud or deceit upon purchasers and

prospective purchasers of such securities, in violation of Sections 17(a)(2) & (3) of the Securities Act, 15 U.S.C. §§ 77(q)(a)(2) & (3).

**IV.**

**PERMANENT INJUNCTIVE RELIEF --  
SECTION 10(B) OF THE EXCHANGE ACT AND RULE 10B-5**

**IT IS HEREBY FURTHER ORDERED** that Blount, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby permanently restrained and enjoined from directly or indirectly, by use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any securities (including, but not limited to, interests in limited liability partnerships), knowingly, willfully or recklessly: (i) employing devices, schemes or artifices to defraud; (ii) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (iii) engaging in acts, practices and courses of business which have operated, are now operating or will operate as a fraud upon the purchasers of such securities, 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.**

**PERMANENT INJUNCTIVE RELIEF --  
SECTION 15(A)(1) OF THE EXCHANGE ACT**

**IT IS HEREBY FURTHER ORDERED** that Blount, his officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of

them, are hereby permanently restrained and enjoined from directly or indirectly, by use of any means or instrumentality of interstate commerce or of the mails, engaging in the business of effecting transactions in securities for the accounts of others or inducing or effecting the purchase and sale of securities while not themselves registered with the Commission in accordance with the provisions of Section 15(b) of the Exchange Act, or while not associated with a broker-dealer that was so registered, in violation of Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78j(a)(1).

**VI.**

**DISGORGEMENT AND PENALTIES**

**IT IS HEREBY FURTHER ORDERED** that Blount shall disgorge all profits or proceeds that he received as a result of the acts and/or conduct alleged in the Complaint, plus pre-judgment interest thereon. The amount of disgorgement, if any, shall be determined by the Court, upon the Commission's motion.

**IT IS HEREBY FURTHER ORDERED** that Blount 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 acts and/or conduct described in the Commission's Complaint. The amount of civil penalties defendant Blount shall pay, if any, shall be determined by the Court upon the Commission's motion.

VII.


RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that this Court shall retain jurisdiction over this matter and Blount 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. *All other Defendants remain.*

DONE AND ORDERED

\_\_\_\_\_ this 9 day of November, 2000,

at West Palm Beach, Florida.

  
UNITED STATES DISTRICT JUDGE  
*Kenneth C. Ryskamp*

Copies to:

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