

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 01-7874-CIV-HURLEY-LYNCH

SECURITIES AND EXCHANGE  
COMMISSION,  
Plaintiff,

vs.

PAUL R. JOHNSON, JOHN COOK,  
EMANUELE CARDACI, and  
SCOTT SCHOENBAUER,  
Defendants.

J & J MANAGEMENT CONSULTING, a/k/a/  
1287769 ONTARIO, INC., and CATERINA  
JOHNSON,  
Relief Defendants.

---

**ORDER ADOPTING REPORT & RECOMMENDATION OF THE  
MAGISTRATE JUDGE ON PLAINTIFF'S MOTION TO SET DISGORGEMENT  
AND CIVIL PENALTY AMOUNTS AS TO DEFENDANTS  
JOHN COOK AND EMANUELE CARDACI  
&  
FINAL JUDGMENT OF DISGORGEMENT AS TO  
DEFENDANT JOHN COOK**

**THIS CAUSE** is before the court upon the plaintiff's motion to set disgorgement amount and civil penalty amounts against defendants John Cook and Emanuele Cardaci [DE# 341].

The Court previously granted the defendants' request to vacate judgment fixing disgorgement and civil penalties against these two defendants based on insufficient notice and recommitted the matter to the Magistrate Judge for report and recommendation. [DE# 374]

On June 16, 2008, the Magistrate Judge Frank J. Lynch Jr. entered second report and recommendation upon the plaintiff's motion to set disgorgement and civil penalty amounts as to Defendants Cook and Cardaci. [DE# 392].

The Court has carefully reviewed the Magistrate's Second Report and Recommendation, together with the objections to the Second Report and Recommendation filed by Defendants Cook and Cardaci, the Plaintiff's Response to the Objections of Defendants Cook and Cardaci, and the Plaintiff's Objections to the Second Report and Recommendation of the Magistrate Judge.

Pursuant to 28 U.S.C. § 636(b)(1)(C), the court has made a *de novo* determination with respect to those portions of the report with respect to which an objection has been lodged. Having done so, the court deems the resolution of the issues as to these defendants as recommended by Magistrate Judge Lynch to be sound and well-reasoned, and shall accordingly adopt those recommendations here.

It is accordingly **ORDERED** and **ADJUDGED**:

1. Magistrate Judge Lynch's Second Report and Recommendation on plaintiff's motion to set disgorgement and civil penalties against Defendants Cook and Cardaci [DE #392] is hereby **ADOPTED** and **INCORPORATED** in full.
2. Plaintiff's motion to set disgorgement and civil penalties as to defendants Cook and Cardaci [DE # 341] is **GRANTED in PART and DENIED in PART**. The motion to set civil penalties is **DENIED** as to both defendants, and the motion to set disgorgement amounts is **GRANTED in PART** as to both defendants, more particularly provided in the following paragraphs.
3. The defendant **JOHN COOK** is liable for **DISGORGEMENT** of **\$55,000.00**, representing all ill gotten gains received by him as a result of the conduct alleged in the Commission's Complaint, plus prejudgment interest in the amount of **\$18,153.17**, for a total judgment of **\$73,153.17**, payable by U.S. postal money order, certified check, bank cashier check or bank money order made payable to the Securities and Exchange Commission, which shall be directed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria Virginia 22312, under cover of letter identifying **JOHN COOK** as a defendant in this action, which shall be referenced by full case style and number.


It is accordingly **ORDERED and ADJUDGED** that the plaintiff Securities and Exchange Commission recover from the defendant **JOHN COOK** the total sum of **\$73,153.17**, together with post judgment interest at the statutory rate, for which let execution issue.

4. The defendant **EMANUELE CARDACI** is liable for **CIVIL PENALTIES** in the amount of **\$84,700.00**, representing all ill gotten gains received by him as a result of the conduct alleged in the Commission's Complaint, plus prejudgment interest in an amount to be determined by subsequent order of the court, all payable by U.S. postal money order, certified check, bank cashier check or bank money order made payable to the Securities and Exchange Commission, which shall be directed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria Virginia 22312, under cover of letter identifying **EMANUELE CARDACI** as a defendant in this action, which shall be referenced by full case style and number.

The Commission is directed to submit a new prejudgment interest calculation as to defendant Cardaci under separate affidavit within **FOURTEEN (14) DAYS** of the date of entry of this order, at which juncture final judgment setting a total disgorgement amount shall be entered against defendant Emanuele Cardaci.

5. The court shall retain jurisdiction for purposes of enforcing this final order of disgorgement as well as all prior orders of permanent injunction, disgorgement and civil penalties entered against the other defendants in this cause.
6. There being nothing further for the court to do in this matter, the Clerk of Court is directed to **CLOSE** this case and terminate any pending motions as **MOOT**.

**DONE and SIGNED** in Chambers at West Palm Beach, Florida this 10 day of July, 2008.

  
Daniel T. K. Hurley  
United States District Judge

cc.

United States Magistrate Judge Frank J. Lynch, Jr.

Scott Masel, Esq. (SEC)

Valentin Rodriguez, Esq. (Attorney for Defendants Cook and Cardaci)