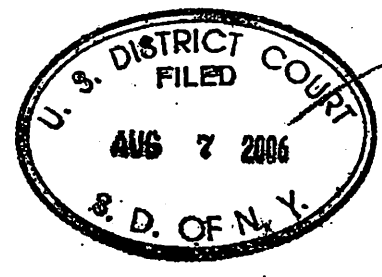


Not
8/7/06

#46



UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

_____)
SECURITIES AND EXCHANGE COMMISSION,)
)
	Plaintiff,)
)
	v.)
)
ROYS POYIADJIS, et al.,)
)
	Defendant.)
_____)

01 Civ. 8903 (CSH)

DEFAULT JUDGMENT
OF PERMANENT
INJUNCTION AND
OTHER RELIEF AS
TO DEFENDANT
LYCOURGOS
KYPRIANOU

#06, 1753

Plaintiff, the Securities and Exchange Commission ("the Commission"), filed its Complaint in this matter on October 4, 2001, alleging that Defendant Lycourgos Kyprianou ("Kyprianou") and others violated the federal securities laws in their roles as officers of the AremisSoft Corporation ("AremisSoft" or "the company"), which also was a defendant. All other defendants have entered into settlements in the form of Final Judgments entered by the Court. As of this date -- nearly four and one-half years later -- defendant Kyprianou has not filed an Answer or other responsive pleading to the Complaint or caused himself or any counsel to file an appearance on his behalf.

The Commission obtained a certificate of default from the Office of the Clerk pursuant to Local Civil Rule 55.1 and now moves, pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure, for entry of a default judgment against Kyprianou to include injunctive and other equitable relief. **THE MOTION IS HEREBY GRANTED** and this Order shall be entered as the Final Judgment by Default against Defendant Kyprianou.

MICROFILM
AUG - 8 2006 - 9:02 AM

The other defendants and the relief defendants submitted offers of settlement which the Commission chose to accept in 2001 and 2005. Final Judgments of Permanent Injunction and Other Relief were entered by this Court on July 25, 2002 as to the defendant corporation and on April 19, 2005 as to defendant Roys Poyiadjis, consistent with the settlement offers. Defendant Kyprianou, who was properly served with the Complaint at his residence in Cyprus, failed to answer or otherwise respond to the Complaint within the time periods provided for in the Federal Rules of Civil Procedure. According to a Certificate signed by the Clerk of the Court noting his default, filed with the Commission's motion, defendant Kyprianou was served on November 11, 2001 in Cyprus.

As is described in more detail in the Complaint and in the Commission's Memorandum in Support of its Motion for Judgment by Default, as well as in additional declarations, affidavits and exhibits filed by the Commission in 2001 when it obtained temporary and preliminary relief against the same defendant, Kyprianou, who was chairman and later co-chairman of AremisSoft and its co-chief executive officer, allegedly caused the company to file reports with the Commission and issue press releases which substantially inflated the acquisition prices and sales revenues of several subsidiaries purportedly acquired by the company in Eastern Europe and in the Asian subcontinent. The result was to cause AremisSoft to appear larger and more profitable than was actually the case. The Commission alleged that the fraudulent statements by AremisSoft began in December 1999 and continued until July 2001, when trading in AremisSoft securities was halted on the NASDAQ and Kyprianou "retired" as co-chairman, board member and co-chief executive officer of the company. After the fraud was exposed in 2001, AremisSoft declared bankruptcy.

In addition to defrauding investors by causing AremisSoft to make false statements about its affairs, the Commission alleged that Kyprianou enriched himself and breached his fiduciary duty to AremisSoft and its shareholders by looting the company and by acquiring and then selling millions of shares of AremisSoft stock at inflated prices, usually through surrogates. In making these sales, Kyprianou allegedly used the inside information he possessed that the apparent robust financial condition of AremisSoft was the result of fraud rather than actual business performance. Kyprianou also failed in his legal obligation to report his insider sales as required by law.

An exhaustive Declaration by Robert J. Peak, a staff accountant for the Commission, supported by 73 exhibits, most of them bank and trading records, traces the acquisition and sale of AremisSoft stock by defendant Kyprianou to a point at which the "trail" is lost. This record was created without any assistance from defendant Kyprianou. Based on Mr. Peak's declaration, defendant Kyprianou realized \$86 million in proceeds stemming from unlawful insider sales of AremisSoft securities. He also realized \$65.8 million from looting of AremisSoft corporate funds. Prejudgment interest on this amount as of December 31, 2005 equals \$55 million, for a total amount the Commission seeks in disgorgement and prejudgment interest of \$206.8 million.

The Court is satisfied that defendant Kyprianou was properly served with the Summons and Complaint initiating this matter, that he has failed to Answer or otherwise respond to the Complaint after more than four years, that no appearance has been entered on his behalf, that the Complaint (as well as the declarations, affidavits and exhibits submitted by the Commission in 2001) fairly states sufficient facts warranting the relief sought, and that Mr. Peak's uncontested declaration and exhibits thereto are sufficient to determine with reasonable accuracy the amount of disgorgement of unlawful profits and prejudgment interest to be awarded the Commission.

THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that this Final Judgment be entered against defendant Kyprianou by default. Further:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Kyprianou and his agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5] by using 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 security:

- (1) to employ any device, scheme, or artifice to defraud;
- (2) to make any untrue statement of a material fact or to omit 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
- (3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Kyprianou and his agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities

Act of 1933 [15 U.S.C. § 77q(a)] 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, directly or indirectly:

- (1) to employ any device, scheme or artifice to defraud;
- (2) to obtain money or property by means of any untrue statement of a material fact or any omission 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
- (3) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Kyprianou and his agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from, directly or indirectly, aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-13 and 12b-20 promulgated thereunder [17 C.F.R. §§ 240.13a-1, 240.13a-13 and 240.12b-20] by knowingly providing substantial assistance to an issuer that:

- (1) fails to maintain such information and documents as the Commission shall require to keep reasonably current the information and documents required to be included in or filed with an application or registration statement filed pursuant to Section 12 of the Exchange Act; and

- (2) fails to file such annual and quarterly reports as the Commission may prescribe, unless Kyprianou acts in good faith and does not directly or indirectly induce the act or acts constituting the violation.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Kyprianou and his agents, servants, employees, attorneys and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 16(a) of the Exchange Act [15 U.S.C. § 78p(a)] and Rules 16a-2 and 16a-3 promulgated thereunder [17 C.F.R. §§ 240.16a-2 and 240.16a-3] by, as required by officers and directors of public companies, failing to file periodic reports or filing false periodic reports disclosing Kyprianou's beneficial ownership of securities of those public companies.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Kyprianou is permanently barred from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78(l)] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Kyprianou is liable for disgorgement of his unlawful gain from the conduct alleged in the Complaint in the amount of \$151.8 million together with prejudgment interest thereon in the

amount of \$55 million. Kyprianou shall satisfy this obligation by paying \$206.8 million within ten business days to the Clerk of this Court, together with a cover letter identifying Kyprianou as the defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment.

Kyprianou shall simultaneously transmit photocopies of such payment and letter to the Commission by mailing or otherwise transmitting them to: Robert B. Hanson, Esq., Branch Chief, United States Securities & Exchange Commission, Stop 4628, 100 First Street, N.E., Washington, D.C. 20549-4628. By making this payment, Kyprianou relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Kyprianou. Kyprianou shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

The Commission may by motion propose a plan to distribute the Fund subject to the Court's approval or, if appropriate, recommend that the funds be deposited with the United States Treasury.

VII.

IT IS HEREBY 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.

VIII.

There being no just reason for delay, pursuant to Rule 55 of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment by Default forthwith and without further notice.

August 1st, 2006
New York, N.Y.

Charles S. Haight, Jr.
UNITED STATES DISTRICT JUDGE

THIS DOCUMENT WAS ENTERED
ON THE DOCKET ON _____