

FILED
TIME: _____

SEP 27 2004

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

**JAMES BONINI, Clerk
COLUMBUS, OHIO**

**U.S. SECURITIES AND EXCHANGE
COMMISSION,** :
Plaintiff, :

**No. C2 02 629
(Graham J., Kemp M.J.)**

vs. :

VON CHRISTOPHER CUMMINGS, :
PARAMOUNT FINANCIAL PARTNERS, L.P., :
PARAMOUNT CAPITAL :
MANAGEMENT, L.L.C., :
JOHN A. RYAN, :
KEVIN L. GRANDY, :
JAMES CURTIS CONLEY, :
KEVIN D. HIGHTOWER, :
MICHAEL J. LOUIS, :
JOHN E. HAWLEY, JR., :
MICHAEL L. VOGT, :
OMAR BENAUDA :

Defendants, :

GORDON LENDING CORP., :
GORDON L. YOCOM, :
AND PATRICK SUSEMIHL, :
Relief Defendants. :

**FINAL JUDGMENT AS TO DEFENDANTS VON CHRISTOPHER CUMMINGS
PARAMOUNT FINANCIAL PARTNERS, L.P., AND PARAMOUNT CAPITAL
MANAGEMENT, L.L.C.**

The Securities and Exchange Commission having filed a Complaint and Defendants Von Christopher Cummings, Paramount Financial Partners, L.P., and Paramount Capital Management, L.L.C., ("Defendants") having entered a general appearance; consented to the Court's jurisdiction over Defendants and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants and Defendants' 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, or aiding and abetting the violation of, 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:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) 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
- (c) 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 Defendants and Defendants' 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, or aiding and abetting the violation of, Section 17(a) of the Securities Act [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:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;
or
- (c) 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 Defendants and Defendants' 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, or aiding and abetting the violation of, Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 [15 U.S.C. § 80b-6(1), 80b-6(2)], as an investment adviser, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly:

- (a) employing any device, scheme, or artifice to defraud any client or prospective client, or
- (b) engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, jointly and severally, are liable for disgorgement of thirteen million one hundred forty-eight thousand three hundred thirty-six dollars (\$13,148,336), plus prejudgment interest thereon in the amount of two million seven hundred fifty-nine thousand five hundred forty-four dollars (\$ 2,759,544), for a total of fifteen million nine hundred seven thousand eight hundred and eighty dollars (\$ 15,907,880). The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after ten (10) days following entry of this Final Judgment. In response to any such civil contempt motion by the Commission, the Defendants may assert any legally permissible defense. Payments under this paragraph shall be made to the Clerk of this Court, together with a cover letter identifying Von Christopher Cummings, Paramount Financial Partners, L.P., and Paramount Capital Management, L.L.C., as Defendants 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. Defendants shall simultaneously transmit photocopies of each such payment and letter to the Commission's counsel in this action. Defendants relinquish all legal and equitable right, title, and interest in such payments, and no part of the funds shall be returned to Defendants. 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 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 (10%) 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 propose a plan to distribute the Fund subject to the Court's approval.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, jointly and severally, shall pay a civil penalty in the amount of one hundred ten thousand dollars (\$110,000) pursuant to Section 24 of the Securities Act [15 U.S.C. § 77x], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 217 of the Advisers Act [15 U.S.C. § 80b-17], Defendants shall make this payment within ten (10) business days after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Von Christopher Cummings, Paramount Financial Partners, L.P., and Paramount Capital Management, L.L.C as Dendants in this action; setting forth the title and civil action number of this action and the name of this of this Court; and specifying that payment is made pursuant to this Final Judgment.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants, jointly and severally, jointly and severally, to submit verified, sworn accountings

that identifies, since January 1, 1999, their assets and liabilities, revenues and payments, all bank and securities brokerage accounts maintained in their name or for their benefit, and all funds they received from investors or for investment purposes.

VII.

IT IS HEREBY 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.

VIII.

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.

Dated: September 27, 2004

s/ James L. Graham
JAMES L. GRAHAM
UNITED STATES DISTRICT JUDGE

Requested by:

Carl A. Tibbetts Digitally signed by Carl A. Tibbetts
DN: cn=Carl A. Tibbetts, o=SEC, ou=SEC, email=Carl.A.Tibbetts@sec.gov

Carl A. Tibbetts, Assistant Chief Litigation Counsel
United States Securities Exchange Commission