

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 03-20889-CIV-MARRA

SECURITIES AND EXCHANGE COMMISSION,

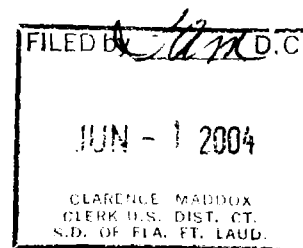
Plaintiff,

v.

PHILIP R. GRATZ,

Defendant.

**CLOSED
CIVIL
CASE**



**FINAL JUDGMENT
OF PERMANENT INJUNCTION AND OTHER RELIEF**

Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against Philip R. Gratz ("Defendant"). In its Complaint, the Commission sought, among other relief, a permanent injunction to prohibit violations by the Defendant of Sections 15(a)(1), and 15(b)(6)(B) of the Securities Exchange Act of 1934 ("Exchange Act"), [15 U.S.C. §§ 78o(b) and 78o(b)(6)(b)], and Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. §80b-3(f)] and an order providing for Defendant to pay a civil money penalty pursuant to Section 21(d) of the Exchange Act.

Defendant, 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 jurisdiction of this Court, has agreed to the entry of this Final Judgment of Permanent Injunction and Other Relief ("Final Judgment"). This Court having accepted such Consent and this Court having jurisdiction over the Defendant and the subject matter hereof, and the Court being fully advised in the premises:

[Handwritten signature]

I.

VIOLATION OF SECTION 15(b) OF THE EXCHANGE ACT

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, being associated or attempting to become associated with any broker, dealer, municipal securities dealers, investment company or investment adviser, engaged in the business of effecting transactions in securities for the accounts of others, in violation of Section 15(b)(6)(B) of the Exchange Act, 15 U.S.C. § 78o(b)(6)(B).

II.

**VIOLATION OF A COMMISSION ORDER AND
OF SECTION 203(f) OF THE ADVISERS ACT**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce, engaging, for compensation, in the business of advising persons as to the value of securities, or as to the advisability of investing in, purchasing, or selling securities, without being registered with the Commission as an investment adviser, or being associated or attempting to become associated with an investment adviser, in violation of Section 203(f) of the Advisers Act [15 U.S.C. §80b-3].

III.

VIOLATION OF SECTION 15(a)(1) OF THE EXCHANGE ACT

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, his officers, agents, servants, employees, representatives, and all persons in active concert or participation with him, and each of them, directly or indirectly, who receive actual notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of securities, while acting as a broker or dealer engaged in the business of effecting transactions in securities for the accounts of others, but not registered as a broker-dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

IV.

CIVIL PENALTY

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall pay a civil penalty in the amount of \$120,000, pursuant to Section 21(d) of the Exchange Act [15 U.S.C. §78(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. §80b-9(e)].

V.

PAYMENT INSTRUCTIONS

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that within thirty (30) days after the entry of this Final Judgment, Defendant shall pay the civil penalty ordered herein within by sending a U.S. postal money order, certified check, bank cashier's check or money order payable to the U.S. Securities and Exchange Commission, and transmitted to the Comptroller, U.S.

Securities and Exchange Commission, 450 Fifth Street, N.W. Washington, D.C. 20549, under cover of a letter that identifies Defendant, the caption and case number of this action and the name of this Court. Copies of such check and accompanying cover letter shall be simultaneously transmitted to Alise Johnson, Senior Trial Counsel, U.S. Securities and Exchange Commission, Southeast Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida, 33131.

VI.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall comply with the provisions of the Consent attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

VII.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court will retain jurisdiction over this matter and the Defendant in order to implement and carry out the terms of all Order 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. *The Clerk may close this case + deny any pending motion as moot*

DONE AND ORDERED this 12th day of JUNE, 2004, in Fort Lauderdale, Florida.



HONORABLE KENNETH A. MARRA
UNITED STATES DISTRICT JUDGE

Copies to:

Alise M. Johnson, Esq.
Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, Florida 33131

Jan Douglas Atlas, Esq.
Wayne H. Schwartz, Esq.
Adorno & Yoss, P.A.
350 East Las Olas Boulevard
Suite 1700
Fort Lauderdale, Florida 33301
Attorneys for Defendants

Christian R. Bartholomew, Esq.
Morgan, Lewis & Bockius LLP
5300 First Union Financial Center
200 South Biscayne Blvd.
Miami, FL 33131
Court Appointed Receiver