

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA

UNITED STATES	)	
SECURITIES AND EXCHANGE COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. 8:04-CV-2477-
	)	T-17-MAP
PAUL SIMMONS, et al.,	)	
	)	
Defendants.	)	
_____		

~~XXXXXXXXXX~~ FINAL JUDGMENT AS TO DEFAULTING DEFENDANTS  
JOHN ZANKOWSKI AND STANLEY SICILIANO

This matter came before this Court on the Motion for Monetary and Other Relief Against Defaulting Defendants John Zankowski and Stanley Siciliano made by Plaintiff United States Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Rule 55 of the Federal Rules of Civil Procedure, for a Final Judgment requiring Defendants John Zankowski ("Zankowski") and Stanley Siciliano ("Siciliano") (collectively "Defendants") to pay disgorgement, prejudgment interest, and civil money penalties, and barring Defendants from participating in any offering of penny stock, for their violations of Sections 5(a) and 5(c) of the Securities Act ("Securities Act") [15 U.S.C. §§ 77e(a) and 77e(c)], Section 10(b) of the Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 of the Exchange Act [17 C.F.R. § 240.10b-5], and, with respect to Siciliano, for violations of Section 17(b) of the Securities Act [15 U.S.C. § 77q(b)]. Earlier, this Court granted an Interlocutory Judgment By Default and Injunctive and Other Equitable Relief as to Defaulting Defendants Paul Simmons, John Zankowski and Stanley

Siciliano [Docket No. 42] ("the June 23 Order"). The June 23 Order gave Plaintiff SEC leave to request further relief, which Plaintiff has done with the instant Motion.

I.

This Court hereby incorporates by reference the findings of fact and conclusions of law of that June 23 Order (¶¶ 1-4), as well as the Injunctive Relief contained therein (¶ 5). On the basis of the foregoing findings of fact and conclusions of law, and the Court having considered the pleadings and declarations on file herein.

**IT IS FURTHER ORDERED:**

II.

Defendant Zankowski is liable for disgorgement of \$184,848.50, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$46,101.71, and a civil money penalty in the amount of \$400,000 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)], for a total of \$630,950.21.

Defendant Siciliano is liable for disgorgement of \$178,458.05, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$50,278.72, and a civil money penalty in the amount of \$400,000 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)], for a total of \$628,736.77.

Each of Defendant Zankowski and Siciliano shall satisfy their respective obligations by paying the total amounts due within ten business days to the Clerk of this

Court, together with a cover letter: identifying their name as a 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. Each Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making their respective payments, each Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendants. Defendants shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. — 470

The Clerk shall deposit the funds into an interest bearing account with the Court Registry. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account 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. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil money penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil money penalty, no Defendants shall, after offset or reduction of any

award of compensatory damages in any Related Investor Action based on his payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of his payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset for any Defendant, such Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil money penalty and shall not be deemed to change the amount of the civil money penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against one or more Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

### III.

Defendants Zankowski and Siciliano, and each of their agents, servants, employees, attorneys, and all other persons in active concert or participation with him who receive actual notice of this final judgment, by personal service or otherwise, and each of them are permanently and unconditionally barred from participating in an offering of penny stock, as defined in Section 20(g)(B) of the Securities Act [15 U.S.C. § 77t(g)] and Section 21(d)(6)(B) of the Exchange Act[15 U.S.C. § 78u(d)(6)], including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock

is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

IV.

The Commission may enforce the Court's judgment for disgorgement, prejudgment interest, penalties and other relief ordered herein by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after ten days following entry of this Final Judgment. In response to any such civil contempt motion by the Commission, the defendant may assert any legally permissible defense.


V.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court.

VI.

This Order may be served upon Defendants in person, by electronic mail or by certified mail, either by the United States Marshal, the Clerk of the Court, or any member of the staff of the United States Securities and Exchange Commission.

SIGNED February 23<sup>RD</sup>, 2006.



ELIZABETH A. KOVACHEVICH  
UNITED STATES DISTRICT JUDGE

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