

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

JOHN W. SURGENT, ET AL.,

Defendants.

04-60493
CIV-COHN
MAGISTRATE JUDGE

FILED by _____ D.C.
APR 16 2004
CLARENCE MADDOX
CLERK U.S. DIST. CT.
S.D. OF FLA. FT. LAUD

FINAL JUDGMENT AS TO DEFENDANT PAUL TAHAN

The Securities and Exchange Commission having filed a Complaint and Defendant Paul Tahan (“Defendant”) having entered a general appearance; consented to the Court’s jurisdiction over Defendant 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 Defendant, his agents, servants, employees, attorneys, and all those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise, are hereby permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Exchange Act 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 any facility of any national securities exchange, in connection with the purchase or sale of any security:

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- (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 FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant, his agents, servants, employees, attorneys, and all those 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 ("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:

- (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 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
- (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 FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant, 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 Securities Act Sections 5(a) and 5(c) [15 U.S.C. §§ 77e(a) and 77e(c)] by, directly or indirectly, in the absence of any applicable exemption:

- (1) unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (2) unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or
- (3) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding of examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant, his agents, servants, employees, attorneys, and all those persons in active concert or participation with them who receive actual notice of the Final Judgment by personal

service or otherwise, are hereby permanently enjoined and restrained from aiding and abetting any violations of Exchange Act Section 15(g) [15 U.S.C § 78o(g)] and Exchange Act Rules 15g-2, 15g-4 and 15g-5 [17 C.F.R. §§ 240.15g-2, 15g-4 and 15g-5], by knowingly providing substantial assistance to a broker or dealer, directly or indirectly, singly or in concert, by use of the mails or any means or instrumentality of interstate commerce, effecting any transaction in, or inducing or attempting to induce the purchase or sale of any penny stock (as defined in Exchange Act Section 3(a)(51)(A), 15 U.S.C. § 78c (a)(51)(A) and Exchange Act Rule 3a51-1, 17 C.F.R. § 240.3a51-1) by, with, or for the account of any customer without complying with the following requirements:

- (1) prior to effecting such transaction, having furnished the customer a document containing the information set forth in Schedule 15G, 17 C.F.R. § 240.15g-100, and having obtained from the customer a manually signed and dated written acknowledgment of receipt of the document; and
- (2) disclosing to such customer, orally or in writing prior to effecting any such transaction, and giving or sending to the customer in writing, at or prior to the time that any written confirmation of such transaction is given or sent to the customer pursuant to 17 C.F.R. § 240.10b-10, the following information:
 - (a) the aggregate amount of any compensation received by the broker or dealer in connection with such transaction; and
 - (b) the aggregate amount of cash compensation that any natural person associated with the broker or dealer who has communicated with the customer concerning the transaction at or prior to receipt of the customer's transaction order (other than any person whose function

is solely clerical or ministerial) has received or will receive from any source in connection with the transaction that is determined at or prior to the time of the transaction, including separate disclosure of the source and amount of such compensation that is not paid by the broker or dealer.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently barred from participating in an offering of penny stock, 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. All equity stocks are penny stock unless exempted per Exchange Act Section 3(a)(51) [15 U.S.C. § 78c (a)(51)(A)] and Exchange Act Rule 3a51-1 [17 C.F.R. § 240.3a51-1]. Defendant's stock is a penny stock because it was not exempt: it had a price of less than \$5 and the issuer had net tangible assets less than \$5 million.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the annexed Consent be, and hereby is, incorporated herein with the same force and effect as if fully set forth herein, and that Defendant shall comply with all of the undertakings and agreements set forth therein.

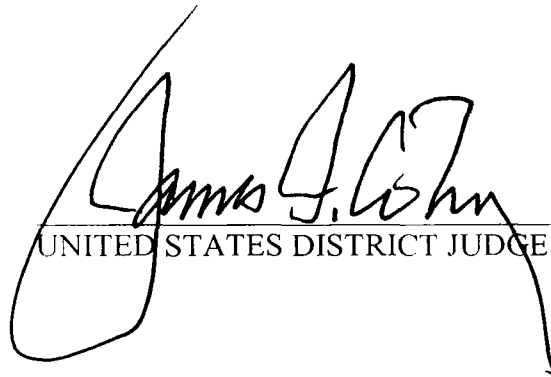
VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including the implementation and enforcement of this Final Judgment.

VIII.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

SO ORDERED.


UNITED STATES DISTRICT JUDGE

Date: APRIL 16, 2004