

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

MEGAMANIA INTERACTIVE, INC.,  
GEORGE W. BOGLE, JR.,  
PETER EMMANUEL,  
MIA VENTURE CAPITAL, LLC,

Defendants.

Civil Action No.  
4:05-CV-03134

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**FINAL JUDGMENT AND ORDER OF PERMANENT  
INJUNCTION AS TO DEFENDANT PETER EMMANUEL**

This matter came before this Court on the application of Plaintiff Securities and Exchange Commission ("Commission") by consent of Defendant Peter Emmanuel ("Emmanuel") for issuance of this Final Judgment and Order of Permanent Injunction as to Defendant Peter Emmanuel ("Final Judgment"), providing the relief set out herein.

Emmanuel has provided this Court with a Stipulation and Consent ("Consent") in which, *inter alia*, he (1) acknowledges and admits the *in personam* jurisdiction of this Court over him and the subject matter jurisdiction of this Court over the claims by the Commission herein; (2) waives entry of findings of fact and conclusions of law under Fed. R. Civ. P. Rule 52, with respect to the entry of this Final Judgment; and (3) consents, for purposes of this action only, to the entry of this Final Judgment, without admitting or denying any of the allegations of the Commission's Complaint, except as to jurisdiction,

and without admitting or denying any violation of the federal securities laws, as set forth herein.

The Court finds that it has *in personam* jurisdiction over Emmanuel and subject matter jurisdiction over the claims by the Commission; that no further notice or hearing is required prior to entry of this Final Judgment and there is no just reason for delay; and that the Court has been fully advised of the premises for entry of this Final Judgment.

**IT IS THEREFORE ORDERED:**

I.

Emmanuel, his agents, servants, employees, attorneys-in-fact, and all other persons in active concert or participation with him who receive actual notice of this Final Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") as amended [15 U.S.C. § 78j], and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder, by directly or indirectly, in connection with the purchase or sale of any security, making use of any means or instrumentalities of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to make any untrue statement of a material fact or 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.

Emmanuel, his agents, servants, employees, attorneys-in-fact, and all other persons in active concert or participation with him who receive actual notice of this Final Judgment, by personal service or otherwise, are hereby permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 ("Securities Act") as amended [15 U.S.C. § 77q(a)], by, in the offer or sale of any security, making use of any means or instruments of transportation or communication in interstate commerce, or 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 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 transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any purchaser.

III.

Emmanuel, his 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, are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act [15 U.S.C. § 77e(a), (c)], directly or indirectly, by:

(a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security through

the use or medium of a prospectus or otherwise, unless a registration statement is in effect as to such security; or

(b) 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, unless a registration statement is in effect as to such security; or

(c) 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.

Emmanuel is barred, for three years following the date of entry of this Final Judgment, from participating in an offering or distribution of penny stock. A penny stock is any equity security that defined in Exchange Act Section 3(a)(51)(A) and Rule 3a51-1 [17 C.F.R. 240.3a51-1].

#### V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$183,200, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in

the amount of \$18,972, Defendant shall satisfy this obligation in accordance with the following schedule:

- A. \$26,000 upon entry of this Final Judgment;
- B. an additional \$10,000 no later than 60 days after entry of this Final Judgment;
- C. an additional \$10,000 no later than 90 days after entry of this Final Judgment;
- D. an additional \$10,000 no later than 120 days after entry of this Final Judgment;
- E. an additional \$10,000 no later than 150 days after entry of this Final Judgment;
- F. an additional \$20,000 no later than 180 days after entry of this Final Judgment;
- G. an additional \$30,000 no later than 210 days after entry of this Final Judgment;
- H. an additional \$30,000 no later than 240 days after entry of this Final Judgment;
- I. an additional \$20,000 no later than 270 days after entry of this Final Judgment;
- J. an additional \$20,000 no later than 300 days after entry of this Final Judgment;
- K. a final payment of the balance no later than 330 days after entry of this Final Judgment.

Each payment shall be made to the Clerk of this Court, together with a cover letter identifying Emmanuel 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. Emmanuel shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Emmanuel relinquishes all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Emmanuel. Emmanuel 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.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Emmanuel shall pay a civil penalty in the amount of \$60,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. Defendant shall make this payment no later than 360 days from the entry of this Final

Judgment. The payment shall be made to the Clerk of this Court, together with a cover letter identifying Emmanuel 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. Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The Clerk shall deposit the funds into the interest bearing account with the CRIS or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon shall be added to the Fund and 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 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 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 penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's 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 Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, 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 penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VII.

The Stipulation and Consent filed herein is hereby incorporated in this Final Judgment with the same force and effect as if fully set forth herein.

VIII.

This Court shall retain jurisdiction over this action and over Emmanuel for all purposes, including for purposes of enforcing the terms of this Final Judgment.



IX.

This Final Judgment may be served upon Emmanuel in person or by mail either by the United States Marshal, by the Clerk of the Court, or by any member of the staff of the Commission. A copy of the Final Judgment will be provided to Emmanuel's counsel.

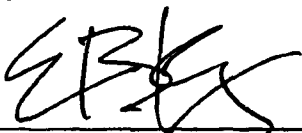
X.

There being no just reason for delay, the Clerk of this Court is hereby directed to enter this Final Judgment pursuant to Rule 54 of the Federal Rules of Civil Procedure.

SIGNED this 29<sup>th</sup> day of June, 2006.

  
UNITED STATES DISTRICT JUDGE

Agreed as to Form and Content

  
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Edwin B. Kagan  
Attorney for Defendant Peter Emmanuel