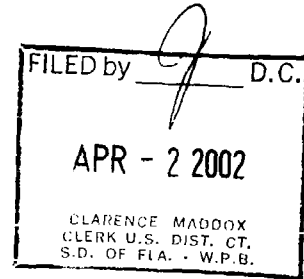


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 01-7874-HURLEY/LYNCH

SECURITIES AND EXCHANGE COMMISSION, )  
 )  
 Plaintiff, )  
 v. )  
 )  
 PAUL R. JOHNSON, )  
 JOHN COOK, )  
 EMANUELE CARDACI, and )  
 SCOTT SCHOENBAUER, )  
 )  
 Defendants, and )  
 )  
 J & J MANAGEMENT CONSULTING, )  
 A/K/A 1287769 ONTARIO INC., and )  
 CATERINA JOHNSON, )  
 )  
 Relief Defendants. )  
 )



**DEFAULT JUDGMENT OF PERMANENT INJUNCTION  
AND OTHER RELIEF AS TO DEFENDANT SCOTT SCHOENBAUER**

THIS MATTER, having come before the Court upon Plaintiff Securities and Exchange Commission's ("Commission" or "SEC") Motion for Entry of Final Judgment of Permanent Injunction and Other Relief by Default as to Defendant Scott Schoenbauer ("Schoenbauer" or "Defendant") and it appearing to the Court that Defendant was duly served, and that Defendant failed to ~~appear~~ file a responsive pleading within the time prescribed by law, and the Court, having reviewed the record and been otherwise advised, hereby renders default judgment in this cause.

**FINDINGS OF FACT AND CONCLUSIONS OF LAW**

1. This Court has personal jurisdiction over Defendant and the subject matter herein.

2. Notice of this action was duly served upon Defendant by personal service.

3. Pursuant to Rule 4(1) of the Federal Rules of Civil Procedure proof of service was filed with the Court.

4. As of the date of the Commission's Motion for Judgment of Permanent Injunction and Other Relief by Default, Defendant has failed to answer or otherwise plead to the Commission's complaint as required by the Federal Rules of Civil Procedure.

5. By virtue of his failure to answer or otherwise plead, Defendant is deemed to have admitted the well pleaded allegations of the complaint; accordingly, the Court finds that Defendant committed the violations alleged therein.

6. Defendant is not an infant or an incompetent person and has no general guardian, committee, conservator or other such person appearing on his behalf.

7. The Court did not find it necessary to conduct a hearing or order a conference prior to entering judgment in this action or carrying its judgment to effect.

8. Pursuant to Federal Rule of Civil Procedure 54(b), the Court expressly determines that there is no just reason for delay and expressly directs that judgment be entered in this action as between the Commission and Defendant. Accordingly,

**I.**

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED** that Plaintiff's Motion for Judgment of Permanent Injunction and Other Relief by Default Against Defendant is **GRANTED**.

**II.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant has engaged and, unless enjoined, will continue to engage in acts that constitute violations of Sections 5(a) and 5(c) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §§ 77e(a) and 77e(c), and Section 15(a)(1) of the Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. § 78o(a)(1).

**III.**

**VIOLATION OF SECTIONS 5(a)  
AND 5(c) OF THE SECURITIES 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 Judgment, by personal service or otherwise, be and they hereby are permanently restrained and enjoined from, directly or indirectly:

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such security;
- (b) carrying or causing to be carried through the mails or in interstate commerce, by means or instruments of transportation, any security, in the form of units, common stock, warrants or any other security, for the purpose of sale or delivery after sale,

unless and until a registration statement is in effect with the Commission 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 any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise, unless and until a registration statement is filed with the Commission as to such security, or while a registration statement filed with the Commission as to such security is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. § 77h,

in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c).

#### IV.

#### 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 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).

V.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall pay disgorgement representing his gain from the conduct alleged in the complaint, plus pre-judgment interest thereon. The amount of disgorgement shall be determined <sup>(later)</sup> upon due notice to defendant and by the Court upon the Commission's motion, ~~without evidentiary hearing; Solely for the following evidentiary hearing to determine the amount.~~ ~~purposes this determination, the allegations of the Complaint shall be deemed admitted.~~

VI.

PENALTIES

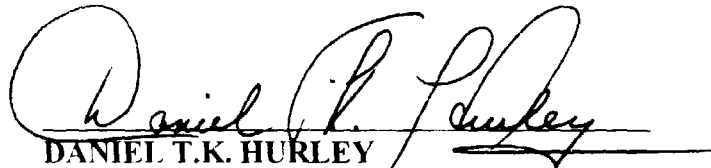
IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall pay a civil money penalty pursuant to Section 20(d) of the Securities Act, 15 U.S.C. §77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3) based upon his conduct as alleged in the complaint. The amount of the civil penalty shall be determined by the Court upon the Commission's motion <sup>upon due notice to defendant and</sup> ~~without evidentiary hearing, solely for the purposes of this determination, the allegations of the Complaint shall be deemed admitted.~~ ~~by the Court.~~

VII.

**RETENTION OF JURISDICTION**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that, this Court will retain jurisdiction over this matter and Defendant in order to implement and carry out the terms of all Orders 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.

**DONE AND ORDERED** this 1st day of April, 2002, at West Palm Beach, Florida.

  
**DANIEL T.K. HURLEY**  
**UNITED STATES DISTRICT JUDGE**

Copies to:

Kerry Zinn, Esq., SEC  
Peter Ticktin, Esq.  
*Counsel for Paul R. Johnson*  
J&J Management Consulting, a/k/a 1287769  
Ontario Inc.  
Caterina Johnson  
John Cook, pro se  
Emanuele Cardaci, pro se  
Scott Schoenbauer, pro se