

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 02-60255-Civ. (FERGUSON)

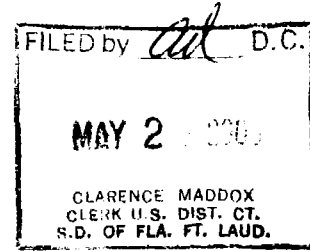
SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

MAKE IT REEL PRODUCTIONS, INC.,
JOSEPH RUBBO, PETER D. RAGOFSKY,
ANGELA RUBBO, SR., ANGELA RUBBO, JR.,
PASQUALE RUBBO, NICHOLAS RUBBO,
AND CINE STAR, INC.,

Defendants.



**PARTIAL JUDGMENT BY DEFAULT AGAINST
DEFENDANTS PETER D. RAGOFSKY AND CINE STAR, INC.**

WHEREAS, on February 21, 2002, Plaintiff Securities and Exchange Commission (the “Commission”), commenced this action by filing a Complaint against Peter D. Ragofsky (“Ragofsky”), and a summons was issued on that date to the same;

WHEREAS, on May 9, 2002 the Commission filed an Amended Complaint adding Cine Star, Inc. (“Cine Star”) to this action, and a summons was issued on that date to the same;

WHEREAS, the Commission served a summons, the Complaint and Amended Complaint in this action upon the Defendant Ragofsky and a Summons and the Amended Complaint on Defendant Cine Star;

WHEREAS, the Clerk of this Court has entered defaults against Defendants Ragofsky and Cine Star as a result of their failure to plead or otherwise defend with respect to the Complaint and Amended Complaint;

WHEREAS, the Court accepts as true the following factual allegations in the Complaint and Amended Complaint against the Defendants Ragofsky and Cine Star who have defaulted, and finds:

1. This Court has jurisdiction over this action pursuant to Sections 20(b), 20(d) and 22(a) of the Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b), 77t(d) and 77v(a), and Sections 21 (d), 21(e) and 27 of the Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C. §§ 78u(d), 78u(e) and 78aa.

2. The Defendants employed means or instrumentalities of interstate commerce, the mails, or facilities of national securities exchanges to engage in the conduct alleged in the Complaint.

3. From January 2002 through February 2002, Defendants Ragofsky and Cine Star engaged in a fraudulent unregistered offering of stock in Make It Reel Productions, Inc. (“MIR”). In furtherance of this fraudulent scheme, Defendant Cine Star operated a “boiler room” out of an office in Fort Lauderdale, Florida. In this “boiler room,” salespersons who were not registered with the National Association of Securities Dealers (“NASD”) cold-called members of the public and offered and sold unregistered shares of stock in Make It Reel Productions, Inc. (“MIR”). These salespersons made numerous false, misleading and baseless material misrepresentations regarding MIR and MIR stock. In addition, these salespersons sent an Offering Memorandum to members of the public which contained numerous false, misleading and baseless material misrepresentations. As a salesperson, Ragofsky made numerous false, misleading and baseless material misrepresentations to members of the public in connection with the sale of MIR stock. Through this conduct, Defendants Ragofsky and Cine Star violated Sections 5(a), 5(c) and 17(a) of the Securities Act, 15 U.S.C. §§ 77e(a), 77e(c) and 77q(a), Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

4. Defendant Ragofsky received ill-gotten gains in the form of commissions paid as compensation for his sales activities. Defendant Cine Star received ill-gotten gains in the form of funds transferred from investors for the purchase of MIR stock.

WHEREAS, pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure, the Commission has applied for the entry of this Final Default Judgment based on the Defendant Ragofsky's and Cine Star's failure to plead or otherwise defend with respect to the Commission's Complaint and Amended Complaint, and the Court having found the *prima facie* case for relief shown by the Commission in this matter to be supported by the full record, including the Declaration of Jonathan Green filed with the Commission's application for entry of this Partial Final Judgment, and the exhibits annexed thereto, which showing has not been rebutted by the Defendants;

NOW THEREFORE, BASED ON THE FOREGOING:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Defendants Peter D. Ragofsky and Cine Star, Inc. and their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise hereby are permanently enjoined and restrained, directly or indirectly, singly or in concert, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, from:

- (1) employing any device, scheme, or artifice to defraud;
- (2) obtaining money or property by means of any untrue statement of material fact or any omission to state 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) engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser,

in violation of Section 17(a) of the Securities Act of 1933, 15 U.S.C. § 77q(a).

II.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Defendants Peter D. Ragofsky and Cine Star, Inc. and their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise hereby are permanently enjoined and restrained from, directly or indirectly, singly or in concert, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (1) employing any device, scheme, or artifice to defraud;
- (2) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it was made, not misleading; and
- (3) engaging in any act, transaction, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Peter D. Ragofsky and Cine Star, Inc. and their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise hereby are permanently enjoined and restrained from, directly or indirectly, unless a registration statement is in effect as to a security:

- (1) use any means or instrumentality of interstate commerce or the mails to sell such security; or
- (2) carry or cause to be carried through the mails or in interstate commerce, by any means or instrumentality of interstate commerce, any such security for the purpose of sale or for delivery after sale;

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

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Peter D. Ragofsky and Cine Star, Inc. and their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise hereby are permanently enjoined and restrained from, directly or indirectly, unless a registration statement is in effect as to a security, or while the registration statement is the subject of a refusal order or stop order or any public proceeding or examination under Section 8 of the Securities Act, 15 U.S.C. § 77h, use any means or instrumentality of interstate commerce or the mails to offer to sell or offer to buy through the use or medium or any prospectus or otherwise any security in violation of Section 5(c) of the Securities Act, 15 U.S.C. § 77e(c).

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Defendants Peter D. Ragofsky and Cine Star, Inc. shall pay the following amounts in disgorgement and prejudgment interest:

A. Defendant Peter D. Ragofsky shall pay \$6,595.54, representing disgorgement of \$6,250 and pre-judgment interest in the amount of \$345.54.

B. Defendant Cine Star, Inc. shall pay \$79,674.05, representing disgorgement of \$75,500 and pre-judgment interest in the amount of \$4,174.05.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendants Peter D. Ragofsky and Cine Star, Inc. shall: (a) make the payments Ordered by paragraph V. of this Partial Judgment within ten days of entry of this Partial Judgment to the Clerk of this Court, together with a letter specifying that payment is made pursuant to this Partial Judgment; and (b) simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. 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 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 propose a plan to distribute the Fund subject to the Court's approval.

By making these payments, Defendants and Relief Defendants relinquish all legal and equitable right, title and interest in such funds, and no part of the funds shall be returned to Defendants Peter D. Ragofsky and Cine Star, Inc.


XI.

IT IS FURTHER ORDERED that the Court expressly determines that there is no just reason for delay in the entry of this Partial Judgment. The Clerk of the Court is hereby directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure to enter this Partial Judgment forthwith.

XII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Court retains jurisdiction to consider motions for civil penalties made pursuant to the Securities Exchange Act, 15 U.S.C. § 78U(d)(3).

DONE AND ORDERED in Chambers at Ft. Lauderdale, Florida, this 23 day of May, 2003.


UNITED STATES DISTRICT JUDGE
WILLIAM P. DIMITROULEAS
FOR WILKIE D. FERGUSON, JR.
UNITED STATES DISTRICT JUDGE

cc: Jonathan E. Green, Esq.
Kenneth J. Dunn, Esq.
Peter D. Ragofsky
Cine Star, Inc., c/o James Barakakos