

Name of Assigned Judge or Magistrate Judge	Samuel Der-Yeghiayan	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	03 C 8288	DATE	4/13/2004
CASE TITLE	SEC vs. Adam Kruger		

[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

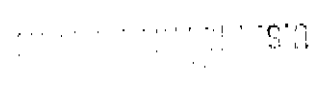
**MOTION:**

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**DOCKET ENTRY:**

- (1)  Filed motion of [ use listing in "Motion" box above.]
- (2)  Brief in support of motion due \_\_\_\_\_.
- (3)  Answer brief to motion due \_\_\_\_\_, Reply to answer brief due \_\_\_\_\_.
- (4)  Ruling/Hearing on \_\_\_\_\_ set for \_\_\_\_\_ at \_\_\_\_\_.
- (5)  Status hearing[held/continued to] [set for/re-set for] on \_\_\_\_\_ set for \_\_\_\_\_ at \_\_\_\_\_.
- (6)  Pretrial conference[held/continued to] [set for/re-set for] on \_\_\_\_\_ set for \_\_\_\_\_ at \_\_\_\_\_.
- (7)  Trial[set for/re-set for] on \_\_\_\_\_ at \_\_\_\_\_.
- (8)  [Bench/Jury trial] [Hearing] held/continued to \_\_\_\_\_ at \_\_\_\_\_.
- (9)  This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]  
 FRCP4(m)  Local Rule 41.1  FRCP41(a)(1)  FRCP41(a)(2).
- (10)  [Other docket entry] Status hearing set for 07/21/04 at 9:00 a.m. Counsel for the plaintiff advised the Court that they are awaiting sentencing in the criminal proceedings as to Adam Kruger. Plaintiff's agreed motion for entry of agreed order of permanent injunction against Adam Kruger and Kruger, Miller and Tummillo, Inc. is granted. Enter Order of Permanent Injunction against Adam Kruger, Kruger, Miller and Tummillo, Inc.

- (11)  [For further detail see order attached to the original minute order.]

<input type="checkbox"/>	No notices required, advised in open court.		number of notices	<b>Document Number</b>  14
<input type="checkbox"/>	No notices required.		APR 14 2004 date docketed	
<input type="checkbox"/>	Notices mailed by judge's staff.		Cym docketing deputy initials	
<input type="checkbox"/>	Notified counsel by telephone.		date mailed notice	
<input checked="" type="checkbox"/>	Docketing to mail notices.		mailing deputy initials	
<input type="checkbox"/>	Mail AO 450 form.			
<input type="checkbox"/>	Copy to judge/magistrate judge.			
MW	courtroom deputy's initials	Date/time received in central Clerk's Office		

DOCKETED  
APR 14 2004

UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
ADAM G. KRUGER AND )  
KRUGER, MILLER AND TUMMILLO, INC., )  
 )  
Defendants. )

Case No: 03 C 8288  
Judge Samuel Der-Yeghiayan  
Magistrate Judge Arlander Keys

**ORDER OF PERMANENT INJUNCTION AGAINST  
ADAM G. KRUGER AND KRUGER, MILLER AND TUMMILLO, INC.**

Before the Court is parties' Agreed Motion for Entry of Order of Permanent Injunction Against Adam G. Kruger and Kruger, Miller and Tummillo, Inc. The Plaintiff Securities and Exchange Commission ("Commission") filed a Complaint, and the Defendants Adam G. Kruger and Kruger, Miller and Tummillo, Inc. ("KMT") (collectively the "Defendants") have entered general appearances; consented to the Court's jurisdiction over Defendants and the subject matter of this action; admitted the allegations of the Complaint and consented to the entry of this Order of Permanent Injunction; waived findings of fact and conclusions of law; and waived any right to appeal from this Order of Permanent Injunction.

**I.**

**IT IS ORDERED** that Defendants, their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 ("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

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transportation or communication in interstate commerce or by use 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 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
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

**II.**

**IT IS ORDERED** that Defendants, their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise are 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 Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) 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

- (c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

**III.**

**IT IS ORDERED** that Defendants, their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 206(1) of the Investment Advisers Act of 1940 ("Advisers Act") [15 U.S.C. § 80b-6(1)] by using the mails or means or instrumentalities of interstate commerce, directly or indirectly, to employ any device, scheme, or artifice to defraud any client or prospective client.

**IV.**

**IT IS ORDERED** that Defendants, their agents, servants, employees, attorneys, assigns, and all persons in active concert or participation with them who receive actual notice of this Order of Permanent Injunction by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 206(2) of the Advisers Act [15 U.S.C. § 80b-6(2)], by using any means or instrumentality of interstate commerce, directly or indirectly, to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

V.

**IT IS ORDERED** that Defendants, their agents, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, be and hereby are enjoined, until further order of this Court, from directly or indirectly:

A. transferring, selling, assigning, pledging, dissipating, concealing or otherwise disposing of in any manner, any funds, assets or other property belonging to Defendants, or directly or indirectly, in the possession, custody or control of Defendants, or in which Defendants have a beneficial interest, wherever located and held in whatever name; and

B. transferring, selling, assigning, pledging, dissipating, concealing or otherwise disposing of any funds, assets, accounts or other property obtained or maintained with investor funds, or into which investor funds have been deposited.

VI.

**IT IS ORDERED** that upon further motion by either party, this Court will determine the amounts of disgorgement, if any, plus prejudgment interest, and civil penalties, if any, pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 77u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)] to be imposed against Defendants as a result of the conduct alleged in the Commission's Complaint. Defendants will be precluded from denying or arguing that they did not violate the federal securities laws in the manner set out in the Commission's Complaint, but will not be precluded from presenting evidence as to whether and what amount of disgorgement, prejudgment interest, and civil penalties are appropriate.

**VII.**

**IT IS ORDERED** that the Commission is authorized to engage in continued discovery regarding any unresolved issue in this case with respect to Defendants, including but not limited to discovery for the purposes of determining the amount of ill-gotten gains and civil penalties, if any.

**VIII.**

**IT IS ORDERED** that the Consent of Defendants is incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.


**IX.**

**IT IS ORDERED** that this Court shall retain jurisdiction of this matter for all purposes, including but not limited to implementing and carrying out the terms of all orders and decrees which may be entered herein, enforcing the Order of Permanent Injunction, and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

**X.**

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 Order of Permanent Injunction forthwith and without further notice.

Dated: APRIL, 13, 2004

  
HONORABLE SAMUEL DER-YEGHIAYAN  
UNITED STATES DISTRICT JUDGE