

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
	:	00 Civ. 3596 (LDW)
Plaintiff,	:	
	:	
	:	
v.	:	
	:	
UNIVERSE, INC., RICHARD FENNING, SUSAN	:	
RICHARDS, JOHN RICHARDS,	:	
LAWRENCE BLOCKER, JEFFREY BURTON,	:	
THIRD TIER MARKETING, INC., ROBERT HASHO :	:	
LANDMARK CORP., HOWARD TOOMER,	:	
H.E. TOOMER & ASSOCIATES, INC.,	:	
DANOO NOOR, TORE C. LARSEN and	:	
FIBERLINKS INTERNATIONAL, INC.	:	
	:	
Defendants.	:	

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**FINAL DEFAULT JUDGMENT  
AGAINST DEFENDANTS JEFFREY BURTON, LAWRENCE BLOCKER, AND  
THIRD TIER MARKETING, INC.**

The Securities and Exchange Commission ("Commission") having filed a Complaint against Jeffrey Burton ("Burton"), Lawrence Blocker ("Blocker"), and Third Tier Marketing, Inc. ("Third Tier") (collectively "Defendants"), and others on June 19, 2000, charging them with violations of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e(a), 77e(c) and 77q(a)], Sections 10(b) and 15 of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §§ 78j(b) and 78o], and Rule 10b-5 [17 C.F.R. § 240.10b-5], and the Commission having served each of the Defendants with a Summons and the Complaint, and the Clerk having entered Burton's, Blocker's, and Third Tier's defaults for having failed to appear in this action, and the

*Mr. Pizzone*  
MOVANT'S COUNSEL IS DIRECTED TO SERVE A COPY  
OF THIS ORDER ON ALL PARTIES UPON RECEIPT.

Commission having filed a motion for the entry of a default judgment against Burton, Blocker, and Third Tier, and good cause appearing for the entry of this judgment:

**I.**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Burton, Blocker, and Third Tier 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 are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and 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 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 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.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Burton, Blocker, and Third Tier 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 are permanently restrained and enjoined from violating, directly or indirectly, Section 17 (a) of the Securities Act [15

U.S.C. § 77q(a)] by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, in the offer or sale of any security:

- (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.

**III.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Burton, Blocker, and Third Tier 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 are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable safe harbor or exemption:

- (a) 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;
- (b) 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

- (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.**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Burton, Blocker, and Third Tier 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 are permanently restrained and enjoined from violating, directly or indirectly, Section 15(a) of the Exchange Act [15 U.S.C. § 78o(a)], by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, by effecting any transaction in, or inducing or attempting to induce the purchase or sale of any security, without being registered with the Commission as a broker or dealer or associated with a non-natural person so registered.

V.

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Burton, Blocker, and Third Tier are jointly and severally liable for disgorgement of \$319,222, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$212,194.78, for a total of \$525,960.11, and shall pay civil penalties as follows: Third Tier shall pay a civil penalty in the amount of \$550,000; Burton shall pay a civil penalty in the amount of \$110,000; and Blocker shall pay a civil penalty in the amount of \$110,000, 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)]. Defendants shall satisfy these obligations by paying such sums within ten (10) business days to the Clerk of this Court, together with a cover letter identifying the defendant making the payment and identifying Burton, Blocker, and Third Tier as defendants 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. The defendant making such payment shall simultaneously transmit photocopies of such payment and letter to the SEC's counsel in this action. By making any such payment, the defendant or defendants making such payment relinquish all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to them.

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 by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the 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, Defendants shall not, in any Related Investor Action, benefit from any offset or reduction of any investor's claim by the amount of any Fair Fund distribution to such investor in this action that is proportionately attributable to the civil penalty paid by the Defendants ("Penalty Offset"). If the Court in any Related Investor Action grants such an offset or reduction, Defendants shall, within 30 days after entry of a final order granting the offset or reduction, 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 Final Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendants by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

**VI.**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that this Court shall retain jurisdiction of this matter for the purpose of enforcing the terms of this Final Judgment.

**VII.**

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.**

Central Islip, New York

Date:

9/2/03

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United States District Judge