

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

CASE NO: 8:08-cv-494-T-26EAJ

ROBERT M. ESPOSITO and
GREGORY A. KING,

Defendants.

FINAL JUDGMENT AS TO DEFENDANT ROBERT M. ESPOSITO

The Securities and Exchange Commission having filed a Complaint; Defendant Robert M. Esposito (“Defendant Esposito”) having entered a general appearance, consented to the Court’s jurisdiction over Defendant Esposito and the subject matter of this action, and consented to the Judgment entered on March 10, 2010, the terms of which are incorporated herein; and the Plaintiff Securities and Exchange Commission, pursuant to the Judgment of March 10, 2010 having moved for a judgment of disgorgement and civil penalty against Defendant Esposito, for good cause shown:

I.

Plaintiff Securities and Exchange Commission’s motion for judgment of disgorgement and civil penalty against Defendant Robert M. Esposito is GRANTED;

II.

It is hereby **ORDERED, ADJUDGED AND DECREED** that Defendant Esposito and Defendant Esposito's agents, servants, employees, attorneys, 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 Securities Exchange Act of 1934 (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 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 hereby **FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Esposito and Defendant Esposito's agents, servants, employees, attorneys, 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 17(a) of the Securities Act of 1933 (the “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 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.

IV.

It is hereby **FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Esposito and Defendant Esposito's agents, servants, employees, attorneys, 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 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 or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

V.

It is hereby **FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Esposito and Defendant Esposito's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 13(d)(1) of the Exchange Act [15 U.S.C. § 78m(d)(1)] and Exchange

Act Rule 13d-1(a) [17 C.F.R. § 240.13d-1(a)] and Exchange Act Rule 13d-2 [17 C.F.R. § 240.13d-1(a)] by any of the following:

(a) failing to file with the Commission a statement containing the information required by Schedule 13D (as provided in 17 C.F.R. § 240.13d-101), within 10 days after acquiring directly or indirectly the beneficial ownership of more than five percent of any equity security of a class which is specified in Exchange Act Rule 13d-1(I) [17 C.F.R. § 240.13d-1(I)]; or

(b) failing to file with the Commission an amendment disclosing any material change that occurs in the facts set forth in the Schedule 13D that is or was required to be filed under Exchange Act Rule 13d-1(a) [17 C.F.R. § 240.13d-1(a)], including but not limited to any material increase or decrease in the percentage of the class of equity security that is beneficially owned.

VI.

It is hereby **FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Esposito is permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

VII.

It is hereby **FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Esposito is liable for disgorgement of \$7,691,135.84, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$4,133,326.62, for a total of \$11,824,462.46. The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. In response to any civil contempt motion by the Commission, the defendant may assert any legally permissible defense. Payment under this paragraph shall be made by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, 100 F Street, NE, Stop 6042, Washington DC 20549 and shall be accompanied by a letter identifying Robert M. Esposito 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 Esposito shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action, David Gottesman, Assistant Chief Litigation Counsel, United States Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-4030. Defendant Esposito shall

pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

VIII.

It is hereby **FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Esposito shall pay a civil penalty in the amount of \$7,691,135.84 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)]. Defendant Esposito shall make this payment within 14 days after entry of Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, 100 F Street, NE, Stop 6042, Washington DC 20549 and shall be accompanied by a letter identifying Robert M. Esposito 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 Esposito shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action, David Gottesman, Assistant Chief Litigation Counsel, United States Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-4030. Defendant Esposito shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

IX.

It is further **ORDERED, ADJUDGED, AND DECREED** that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

DONE AND ORDERED at Tampa, Florida, on June 24, 2011.

s/Richard A. Lazzara

RICHARD A. LAZZARA
UNITED STATES DISTRICT JUDGE

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Counsel of Record