

UNITED STATES DISTRICT COURT
DISTRICT OF CONNECTICUT
BRIDGEPORT

FILED

2007 OCT 26 P 12:55

U.S. DISTRICT COURT
BRIDGEPORT, CONN.

SECURITIES AND EXCHANGE COMMISSION;

Plaintiff,

v.

COMPETITIVE TECHNOLOGIES, INC.,
CHAUNCEY D. STEELE,
JOHN R. GLUSHKO,
THOMAS C. KOCHERHANS,
RICHARD A. KWAK,
SHELDON A. STRAUSS,
STEPHEN J. WILSON and
FRANK R. McPIKE,

Defendants.

Case No. 3:04-cv-1331-JCH

_____, 2007

**FINAL JUDGMENT OF PERMANENT INJUNCTION,
DISGORGEMENT AND OTHER RELIEF
AS TO DEFENDANT JOHN R. GLUSHKO**

Plaintiff Securities and Exchange Commission ("Commission") having filed a Complaint in this action, and defendant John R. Glushko having entered a general appearance, consented to the Court's jurisdiction over himself and the subject matter of this action, consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction), waived findings of fact and conclusions of law, and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Glushko and his 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 ("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 the 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 the 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 HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Glushko and his 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 9(a) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. §78i(a)] by, directly or indirectly, using the mails or any means or instrumentality of interstate commerce, or of any facility of any national securities exchange: (a) to enter an order or orders for the purchase or sale of a security registered on a national securities exchange with the knowledge that an order of substantially the same size, at substantially the same time and at substantially the same price, for the sale or

purchase of such security, has been or will be entered by or for the same or different parties, for the purpose of creating a false or misleading appearance of active trading in such security or a false or misleading appearance with respect to the market for such security; or (b) to effect, alone or with one or more other persons, a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security, or raising or depressing the price of such security, for the purpose of inducing the purchase or sale of such security by others.

III.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Glushko and his 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 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.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Glushko is liable for disgorgement of \$10,000, representing profits gained as a result of the conduct alleged in the Complaint, together with pre-judgment interest thereon in the amount of \$8,308, for a total of \$18,308. Based on Glushko's sworn representations in his Statement of Financial Condition dated August 27, 2007 and other documents and information submitted to the Commission, however, the Court is not ordering Glushko to pay a civil penalty, and payment of the disgorgement and pre-judgment interest thereon is waived. The determination not to impose a civil penalty and to waive payment of the disgorgement obligation is contingent upon the accuracy and completeness of Glushko's Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Glushko's representations to the Commission concerning his assets, income, liabilities or net worth were fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Glushko, petition the Court for an order requiring him to pay his disgorgement obligation in full, with post-judgment interest thereon, and to pay the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Glushko was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Glushko to pay funds or assets, directing the forfeiture of any assets, or imposing sanctions for contempt of this Final Judgment. The Commission may also request

additional discovery. Glushko may not, by way of defense to such petition: (1) challenge the validity of the Consent or this Final Judgment; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment and post-judgment interest thereon, or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

V.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Glushko shall comply with all of the undertakings and agreements set forth therein.

VI.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over Glushko as a party to this matter for purposes of enforcing the terms of this Final Judgment.

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that, the Court finding no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is directed to enter this Final Judgment forthwith and without further notice.

DONE AND ORDERED at Bridgeport, Connecticut, this 26th day of October,
2007.



UNITED STATES DISTRICT JUDGE