



3. Eugene G. Chusid has not filed an answer in response to the allegations in the complaint.

4. The allegations in the complaint as to Eugene G. Chusid's conduct and activities are deemed admitted.

5. Eugene G. Chusid is not an infant, nor incompetent. Defendant Eugene G. Chusid is not eligible for relief under the Soldiers' and Sailors' Civil Relief Act of 1940 [50 U.S.C. Appendix, § 501 et seq.].

6. The Commission is entitled to entry of a final judgment of permanent injunction as to Eugene G. Chusid for violating 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, 17 C.F.R. §240.10b-5; and for additional violations of Section 7(a), or alternatively Section 7(d), of the Investment Company Act of 1940, 15 U.S.C. §§80a-7(a) and 80a-7(d) as alleged in the Complaint.

On the basis of the foregoing findings of fact and conclusions of law, IT IS THEREFORE ORDERED:

I.

A. Defendant Eugene G. Chusid and his agents, servants, employees, attorneys, and all persons in active concert or participation with him who receive actual notice of this final judgment by personal service or otherwise, and each of them, are restrained and enjoined from:

1. Violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. §77q(a), by directly or indirectly, 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: (1) employing any device, scheme or artifice to defraud; or (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 statement(s) made, in the 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.

2. Violating Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §78j(b), by directly or indirectly, in the use of any means or instruments of interstate commerce, of the mails or of any facility of any national securities exchange, using or employing in connection with the purchase or sale of any security registered on a national securities exchange or any security not so registered any manipulative or deceptive device or contrivance in contravention or a rule or regulation prescribed by the Securities and Exchange Commission.

3. Violating Rule 10b-5 of the Securities and Exchange Commission, 17 C.F.R. §240.10b-5, by directly or indirectly, in the use of any means or instruments of interstate commerce, 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(s) made, in the light of the circumstances under which were made, not misleading; or (3) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

4. Violating Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §77e(a) and (c), by directly or indirectly, (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell a security through the use or medium of any prospectus or otherwise; or (b) carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, a security for the purpose of sale or for delivery after a sale, unless a registration statement is in effect as to that security; or (3) 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 Securities and Exchange Commission as to that security or while the registration statement is the subject of a refusal order or a 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.

B. With respect to Defendant Eugene G. Chusid and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, and each of them, are restrained and enjoined from violating Section 7(a) or alternatively 7(d) of the Investment Company Act of 1940, by directly or indirectly, unless registered under Section 8 of the Investment Company Act, (a) offering for sale, selling, or delivering after sale, by the use of the mails or any means or instruments of interstate commerce, any security or any interest in a security, whether the issuer of such security is such investment company or another person, or by offering for sale, selling or delivering after sale any such security or interest, having reason to believe that such security or interest will be made the subject of a public offering by use of the mails or any means or instruments of interstate commerce; (b) purchasing, redeeming, retiring, or otherwise acquiring or attempting to acquire, by use of the mails or any means or instruments of interstate commerce, any security or any interest in a security, whether the issuer of such security is such investment company or another person; (c) controlling any investment company which does any of the acts enumerated in paragraphs (a) and (b) above; (d) engaging in any business in interstate commerce; or (e) controlling any company which is engaged in any business in interstate commerce.

II.

This Court shall retain jurisdiction over this action for all purposes, including for purposes of entertaining any suitable application or motion by the Commission for additional relief within the jurisdiction of this Court, including but not limited to setting disgorgement, and prejudgment interest thereon, and all other relief requested by the Commission in its Complaint. Further, the Court will entertain a report or declaration from the Receiver on the question of appropriate disgorgement.

III.

This Order may be served upon Eugene G. Chusid either in person or by regular mail addressed to him where he is presently incarcerated. Service may be made by the United States Marshal, the Clerk of the Court, or any member of the staff of the Securities and Exchange Commission.

SIGNED this 16 day of Oct., 2002.

  
UNITED STATES DISTRICT COURT JUDGE