

UNITED STATES DISTRICT COURT
for the
MIDDLE DISTRICT OF FLORIDA

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U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
CLEARINGHOUSE

)
SECURITIES AND EXCHANGE COMMISSION)
)
Plaintiff,)
)
v.)
)
)
JAMES T. STAPLES, JOSEPH A. MONACO,)
JENO K. KOCH, DAVID E. TROTTER AND)
ROBERT L. HEINTZ,)
)
Defendants.)
)

CIVIL ACTION NO:
98-1061-CV-22-C

**ORDER RELATING TO DISGORGEMENT AND
PENALTIES AS TO JAMES T. STAPLES**

Defendant James T. Staples ("Staples") by the Consent annexed hereto, without admitting or denying any of the allegations in the Commission's Complaint, except that he is admitting the allegation as to the jurisdiction over him of this Court and over the subject matter of this action, has agreed to the entry of this Order Relating to Disgorgement and Penalties ("Order"). This Court having accepted such Consent and having jurisdiction over Defendant Staples and the subject matter hereof, and the Court being fully advised in the premises:

IT IS HEREBY ORDERED AND ADJUDGED that Defendants Staples shall pay disgorgement in the amount of \$6,000,000 (six million dollars), plus pre-judgment interest, jointly and severally with the other defendants. This sum represents the eighteen million dollars in monies raised in connection with the offerings made by LSI Holdings, Inc. f/k/a Legend Sports, Inc. and Legend Sports, Inc. f/k/a Sistine and Associates, Inc., as alleged in the

complaint, minus twelve million dollars the Defendant has been ordered to pay to Gary D. Lipson as Receiver of LSI Holdings, Inc. and Legend Sports, Inc. on behalf of investors in the lawsuit entitled *Lipson v. Staples*, Case No. 99-899-CA-16-P, in the 18th Judicial Circuit Court in and for Seminole County, FL. Based upon Defendant's sworn representations in his Statement of Financial Condition dated November 23, 1999, and submitted to the Commission, payment of the disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of his Statement of Financial Condition.

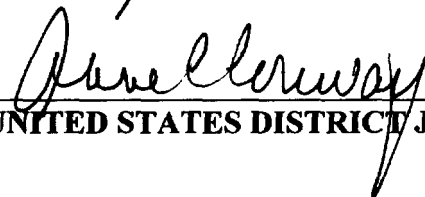
IT IS FURTHER ORDERED that based upon Defendant's sworn representations in his Statement of Financial Condition dated November 23, 1999, and submitted to the Commission, the Court is not ordering him to pay a civil penalty pursuant to Section 20 (d) of the Securities Act, 15 U.S.C. §77t (d) and Section 21 (d) (3) of the Exchange Act, 15 U.S.C. §78 (d) (3). The determination not to impose a civil penalty and to waive payment of the disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of his Statement of Financial Condition. If at any time following the entry of this Final Judgment the Commission obtains information indicating that Defendant'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 Defendant, petition this Court for an order requiring Defendant to pay disgorgement of six million dollars, pre-judgment and post-judgment interest thereon, and a civil penalty. In connection with any such petition, the only issues shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate or incomplete in any material respect as of the time such representations were made, and the

amount of civil penalty to be imposed. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Order, and the Commission may also request additional discovery. Defendant may not, by way of defense to such petition, challenge the validity of his Consent or the Order, contest the allegations in the Complaint filed by the Commission, contest the amount of disgorgement and interest, or assert that disgorgement or the payment of a civil penalty should not be ordered.

IT IS HEREBY FURTHER ORDERED that Defendant Staples shall comply with the provisions of the Consent attached hereto, and that such Consent is incorporated herein by reference as if fully set forth herein.

IT IS HEREBY FURTHER ORDERED that, this Court will retain jurisdiction over this matter and Defendant Staples in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and such other relief this Court deems appropriate.

DONE AND ORDERED on this 20th day of June, 2000, in Orlando, Florida.


UNITED STATES DISTRICT JUDGE

cc: Glenn A. Harris
Susan E. Curtin
Securities and Exchange Commission
1401 Brickell Ave, Suite 200
Miami, FL 33131
COUNSEL FOR SECURITIES AND EXCHANGE COMMISSION

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