

Minute Order Form (06/97)

United States District Court, Northern District of Illinois

Name of Assigned Judge or Magistrate Judge	Ronald A. Guzman	Sitting Judge if Other than Assigned Judge	
CASE NUMBER	99 C 5023	DATE	6/24/2002
CASE TITLE	US SECURITIES AND EXCHANGE COMM. Vs. BARZILAY, et al		

[In the following box (a) indicate the party filing the motion, e.g., plaintiff, defendant, 3rd party plaintiff, and (b) state briefly the nature of the motion being presented.]

MOTION:

DOCKET ENTRY:

- (1) Filed motion of [use listing in "Motion" box above.]
- (2) Brief in support of motion due _____.
- (3) Answer brief to motion due _____. Reply to answer brief due _____.
- (4) Ruling/Hearing on _____ set for _____ at _____.
- (5) Status hearing[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (6) Pretrial conference[held/continued to] [set for/re-set for] on _____ set for _____ at _____.
- (7) Trial[set for/re-set for] on _____ at _____.
- (8) [Bench/Jury trial] [Hearing] held/continued to _____ at _____.
- (9) This case is dismissed [with/without] prejudice and without costs[by/agreement/pursuant to]
 - FRCP4(m) General Rule 21 FRCP41(a)(1) FRCP41(a)(2).
- (10) [Other docket entry] Pursuant to Consent and Stipulation of David Rubinov, ENTER ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST DEFENDANT DAVID RUBINOV.
- (11) [For further detail see order attached to the original minute order.]

<input type="checkbox"/> No notices required, advised in open court. <input type="checkbox"/> No notices required. <input type="checkbox"/> Notices mailed by judge's staff. <input type="checkbox"/> Notified counsel by telephone. <input checked="" type="checkbox"/> Docketing to mail notices. <input type="checkbox"/> Mail AO 450 form. <input type="checkbox"/> Copy to judge/magistrate judge.	U.S. DISTRICT COURT CLERK 02 JUN 27 PM 4:35 FILED-ED 10 Date/time received in central Clerk's Office	number of notices JUN 28 2002 date docketed CDY docketing deputy initials date mailed notice mailing deputy initials	Document Number 104
TBK courtroom deputy's initials			

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

KFIR BARZILAY, *et al.*

Defendants.

DOCKETED
JUN 28 2002

99 C 5023

Judge Ronald A. Guzman

**ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF AGAINST
DEFENDANT DAVID RUBINOV**

Plaintiff Securities and Exchange Commission ("Commission") has filed a Complaint for Permanent Injunction and Other Equitable Relief ("Complaint") in this matter, and Defendant David Rubinov ("Defendant Rubinov") has, in his Consent and Stipulation attached hereto and incorporated herein, acknowledged receipt of the Complaint, admitted the jurisdiction of this Court over him and over the subject matter thereof, and without admitting or denying the allegations of the Complaint, except as to jurisdiction, and without trial, argument or adjudication of any facts or law herein, consented to the entry of this Order of Permanent Injunction and Other Relief Against Defendant David Rubinov ("Order"). The Commission and Defendant Rubinov have waived the entry of findings of fact and conclusions of law, as provided by Rule 52 of the Federal Rules of Civil Procedure. The Court having jurisdiction over the parties and the subject matter hereof, and being fully advised in the premises:

I.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant Rubinov, his officers, agents, servants, employees, attorneys and those persons in active concert or participation with him who receive actual notice of this Order, by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from, in the offer or sale of any securities, 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, employing any device, scheme or artifice to defraud, in violation of Section 17(a)(1) of the Securities Act of 1933 [15 U.S.C. § 77q(a)(1)].

II.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Rubinov, his officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from, in the offer or sale of any securities by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly, obtaining money or property by means of any untrue statement of a material fact or any omission 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 engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser, in violation of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)].

III.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Rubinov, his officers, agents, servants, employees, attorneys and those persons in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from, directly or indirectly, in connection with the purchase or sale of any security, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- A. employing any device, scheme or artifice to defraud;
- B. making any untrue statement of a material fact or omitting 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. engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. §78j(b)] and Rule 10b-5 [17 C.F.R. §240.10b-5] thereunder.

IV.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Rubinov, his officers, agents, partners, servants, employees, attorneys, and those persons in active concert or participation with them who receive actual notice of this Order, by personal service or otherwise, and each of them, be and hereby are permanently restrained and enjoined from, as a principal or as an aider and abettor, causing any record made and kept pursuant to Section 17(a) [15 U.S.C. §78q(a)] of the Exchange Act and

Rule 17a-3 promulgated thereunder [17 C.F.R. 240.17a-3] to be inaccurate, in violation of Section 17(a) [15 U.S.C. §78q(a)] of the Exchange Act and Rule 17a-3 promulgated thereunder [17 C.F.R. 240.17a-3].

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Commission's claims against Defendant Rubinov for disgorgement and prejudgment interest thereon are dismissed with prejudice.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based upon Defendant Rubinov's sworn representations in his Statement of Financial Condition dated March 11, 2002, his financial deposition, and other documents submitted to the Commission, the Court is not ordering him to pay a civil penalty. The determination not to impose a civil penalty is contingent upon the accuracy and completeness of Defendant Rubinov's statement of Financial Condition, deposition testimony, and other documents submitted to the Commission. If at any time following the entry of this Order, the Commission obtains information indicating that Defendant Rubinov'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, petition the Court for an order requiring Defendant Rubinov 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 Defendant Rubinov was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were

made. In any such petition, the Commission may move the Court to consider all available remedies, including, but not limited to, ordering Defendant Rubinov to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Order. The Commission may also request additional discovery. Defendant Rubinov acknowledges and agrees that he may not, by way of a defense to such petition: (1) challenge the validity of the Consent or this Order; (2) contest the allegations in the Complaint filed by the Commission; (3) assert that payment of a civil penalty should not be ordered; (4) contest the imposition of the maximum civil penalty allowable under the law; or (5) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the attached Consent and Stipulation of Defendant Rubinov be, and is hereby, incorporated herein with the same force and effect as if fully set out herein.

VIII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court grants leave to Defendant Rubinov to withdraw his answer to the Complaint and all other pleadings and papers filed by him in this case, which are hereby withdrawn.

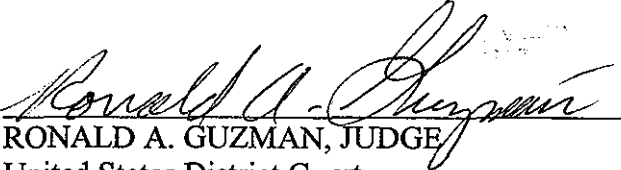
IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this matter for all purposes, including, but not limited to entertaining any applications for additional relief, and implementing and enforcing this Order.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that there being no just reason for delay, the Clerk of the Court is hereby directed to enter this Order of Permanent Injunction.

IT IS SO ORDERED.


RONALD A. GUZMAN, JUDGE
United States District Court
Northern District of Illinois

Dated: 6/24/02