

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	3/13/2002
CASE TITLE	SECURITIES & EXCHANGE COMMISSION vs. KFIR 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] Plaintiff's motion for final order of permanent injunction and other relief by default against defendant Eugene Beigelman is granted. Enter order of permanent injunction and other relief by default against defendant Eugene Beigelman.
- (11) [For further detail see order attached to the original minute order.]

<input type="checkbox"/>	No notices required, advised in open court.	U.S. DISTRICT COURT CLERK 02 MAR 15 PM 1:52	number of notices	Document Number 92
<input type="checkbox"/>	No notices required.		MAR 18 2002	
<input type="checkbox"/>	Notices mailed by judge's staff.		date docketed	
<input type="checkbox"/>	Notified counsel by telephone.		CDY	
<input checked="" type="checkbox"/>	Docketing to mail notices.		docketing deputy initials	
<input type="checkbox"/>	Mail AO 450 form.		date mailed notice	
<input type="checkbox"/>	Copy to judge/magistrate judge.		mailing deputy initials	
CG	courtroom deputy's initials	Date/time received in central Clerk's Office		

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,

Plaintiff,

v.

KFIR BARZILAY, *et al.*

Defendants.

DOCKETED
MAR 18 2002

99 C 5023

Judge Ronald A. Guzman

**FINAL ORDER OF PERMANENT INJUNCTION AND OTHER RELIEF BY
DEFAULT AGAINST DEFENDANT EUGENE BEIGELMAN**

This cause coming to be heard on Plaintiff Securities and Exchange Commission's ("Commission") Motion for Final Order of Permanent Injunction and Other Equitable Relief by Default Against Defendant Eugene Beigelman ("Beigelman"); the Court having considered Plaintiff's Complaint, Plaintiff's Motion, Plaintiff's Memorandum in Support Of Motion For Final Order of Permanent Injunction and Other Relief By Default Against Defendant Eugene Beigelman, and the evidence submitted in support thereof; the Court, being fully advised in the premises, finds:

1. That this Court has jurisdiction over the subject matter of this case and all of the parties hereto.
2. That Defendant Beigelman has engaged in transactions, acts, practices and courses of business which constitute violations of the federal securities laws. Specifically, Beigelman has engaged in transactions, acts, practices and courses of business which constitute violations of Section 17(a)(1), 17(a)(2) and 17(a)(3) of the

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Securities Act of 1933, (“Securities Act”) [15 U.S.C. §§77q(a)(1), 77q(a)(2), and 77q(a)(3)], Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78 (b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] promulgated thereunder. In addition, Beigelman has aided and abetted violations of Section 17(a) of the Exchange Act [15 U.S.C. §78q(a)] and Rule 17a-3 [17 C.F.R. 240.17a-3] promulgated thereunder.

3. That without an order permanently enjoining Defendant Beigelman from violating the securities laws set forth herein, there is a substantial likelihood that Beigelman will continue to violate the federal securities laws.

4. That it is necessary for Beigelman to pay disgorgement, plus prejudgment interest, and civil penalties, in order to make his violations of the federal securities laws unprofitable and to deter future violations.

I.

THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED that Defendant Beigelman, 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 Beigelman, 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 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 Beigelman, 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, 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 Beigelman, his officers, agents, partners, 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 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 Defendant Beigelman pay disgorgement of \$8,048.22, his ill-gotten gains, plus \$3,660.65 in pre-judgment interest.

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that civil penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act are appropriate against Defendant Beigelman and shall be imposed against Defendant Beigelman in the amount of \$110,000.

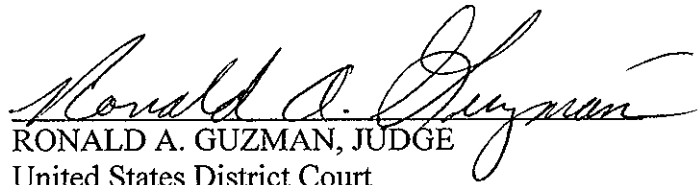
VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant Beigelman pay the disgorgement, prejudgment interest, and civil penalties ordered herein within thirty (30) days of the entry of this Order. Payment of the disgorgement and prejudgment interest shall be made to the Clerk, U.S. District Court, Northern District of Illinois, 219 S. Dearborn St., Chicago, Illinois, 60604, by cashier's check, certified check or United States postal money order. The Clerk shall deposit this payment or payments into an interest-bearing account and shall deduct from the account any fee authorized by the Judicial Conference of the United States. Payment of the civil penalties shall be: (1) made by cashier's check, certified check, or U.S. postal money order; (2) made payable to the United States Treasury; and (3) delivered or mailed to the Comptroller, United States Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312; and (4) submitted under a cover letter that identifies the Defendant as a defendant in this matter and the case number of this matter, a copy of which cover letter and money order or check shall be sent to Kathryn A. Pyszka, Securities and Exchange Commission, 175 W. Jackson Blvd., Ste. 900, Chicago, Illinois 60604.

VIII.

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.

IT IS SO ORDERED.


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

Dated: 3/13/02