

No. 9058 P. 2/13
FILED by *[Signature]* D.C.
APR 20 2006
CLARENCE MADDOX
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

WORLDWIDE ENTERTAINMENT, INC.
THE ENTERTAINMENT GROUP FUND, INC. and
JOHN P. (JACK) UTSICK, et. al.,

Defendants.

06 - 20975

Case No. _____

CIV - UNGARO-BENAGE

MAGISTRATE JUDGE
O'JULIVAN

**JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF
AS TO DEFENDANT JOHN P.(JACK) UTSICK**

The Securities and Exchange Commission having filed a Complaint, and Defendant John P.(Jack) Utsick ("Defendant") having entered a general appearance, consented to the Court's jurisdiction over Defendant and the subject matter of this action, consented to entry of this Judgment of Permanent Injunction and Other Relief ("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 Judgment:

I.

VIOLATION OF SECTION 17(a)(1) OF THE SECURITIES ACT

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a)(1) of the

[Handwritten initials]

Securities Act of 1933 (the "Securities Act") [15 U.S.C. § 77q(a)(1)] 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 use of the mails, directly or indirectly, to employ any device, scheme, or artifice to defraud.

II.

VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated 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 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.

III.

**VIOLATION OF SECTIONS 17(a)(2)
AND 17(a)(3) OF THE SECURITIES ACT**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant
and Defendant's agents, servants, employees, attorneys, and all persons in active concert or

III.**VIOLATION OF SECTIONS 17(a)(2)
AND 17(a)(3) OF THE SECURITIES ACT**

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Sections 17(a)(2) and 17(a)(3) of the Securities Act [15 U.S.C. §§ 77q(a)(2) and 77q(a)(3)] 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 use of the mails, directly or indirectly:

- (a) 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 light of the circumstances under which they were made, not misleading; or
- (b) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IV.**VIOLATION OF SECTION 5 OF THE SECURITIES ACT**

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of

any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;

(b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; or

(c) 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 Commission as to such security, or while the registration statement is the subject of a refusal order or 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].

V.

ASSET FREEZE

A. **IT IS FURTHER ORDERED** that, pending further Order of this Court, Defendant and Defendant's agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with him, and each of them who receive notice of this order by personal service, mail, facsimile transmission or otherwise, except any Receiver appointed by this Court by Order dated April 20th 2006 and hereby are restrained from, directly or indirectly, transferring, setting off, receiving, changing,

selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any assets or property owned by, controlled by, or in the possession of Defendant, including, but not limited to, cash, free credit balances, fully paid for securities, and/or property pledged or hypothecated as collateral for loans, other than as ordered by the Court, provided that nothing herein is intended to preclude Defendant from making application to the Court to terminate or modify this asset freeze.

B. Notwithstanding Section V. (A) above, the Defendant shall be entitled to the release of frozen funds to pay his reasonable living expenses. The amount of funds to which Defendant shall be entitled and the duration for which he shall be entitled to those funds shall be the subject of good-faith negotiations between the parties to commence immediately. If the parties cannot agree on a specific amount and/or duration within eleven (11) days of service of this Judgment, either party may submit the matter to the Court for determination. If the matter is submitted to the Court, the entitlement of Defendant to reasonable living expenses shall be assumed; only the amount and duration shall be at issue.

C. Also notwithstanding Section V. (A) above, the Commission and the Receiver agree to enter into good-faith negotiations with the Defendant over the release of frozen funds to pay his reasonable attorneys' fees. The negotiations shall commence immediately upon Defendant's provision to the Receiver and the Commission of amounts already paid to and fees and expenses previously charged by their counsel of record in this case. If the parties cannot agree on the release of frozen funds to pay attorneys' fees (including specific amounts) within eleven (11) days of service of this Judgment, either party may submit the matter to the Court for determination. If the matter is submitted to

the Court, the entitlement of Defendant to reasonable attorneys' fees shall be assumed; only the amount shall be at issue.

VI.

REPATRIATION ORDER

IT IS FURTHER ORDERED that Defendant and Defendant's attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, shall:

(a) take such steps as are necessary to repatriate to the territory of the United States all funds and assets of investors (except those under the exclusive control of the Receiver) described in the Commission's Complaint in this action which are held by him or are under his direct or indirect control, jointly or singly, if any, and deposit such funds into the registry of the United States District Court, Southern District of Florida; and

(b) provide the Commission and the Court a written description of the funds and assets so repatriated, provided that nothing herein or in such written description shall or is intended to be a waiver of Defendant's constitutional or any other rights and privileges, or deemed to be an admission for any other purpose.

VII.

ACCOUNTING

IT IS FURTHER ORDERED that Defendant shall provide to the Receiver, the Commission, and the Court, a sworn accounting, in compliance with this provision of the Judgment, as follows, provided that nothing herein or in such accounting shall or is intended to be a waiver of Defendant's constitutional or any other rights and privileges, or deemed to be an admission for any other purpose:

(a) within forty-five (45) days of the date of this Judgment, Defendant shall provide an accounting of all assets, funds or other properties held by him, jointly or individually, or for which he has a direct or beneficial interest, or over which he maintains control (except those under the exclusive control of the Receiver), wherever situated, stating the location, value and disposition of each such asset, fund, and other property; and,

(b) within fifteen (15) days of the date of this Judgment, Defendant shall provide an accounting of each account with any financial or brokerage institution maintained in his name, or for his direct or indirect beneficial interest, or over which he maintains control (except those under the exclusive control of the Receiver), wherever situated, and the names and last known addresses of all bailees, debtors, and other persons and entities which have held or are holding his assets, funds or other properties; and,

(c) within thirty (30) days of the date after the Receiver has filed a final accountant's report with this Court detailing monies paid to the Defendant, but no later than six (6) months after the date of this Judgment, Defendant shall provide an accounting of all funds, whether in the form of compensation, commissions, income (including payments for assets, shares or property of any kind), and property or other benefits (including the provision of or payment for services of a personal or mixed business and personal nature) received from any source (excluding payments received by Defendant from his previous employers' pension funds and receipts under \$1,000) since January 1998. If the Defendant requires additional time to comply with this provision,

the Defendant may move for a reasonable extension of time to comply with this provision.

VII.

RECORDS PRESERVATION

IT IS FURTHER ORDERED that, pending final resolution of this case as provided in Section IX below, Defendant, his agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, be and hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to the Defendant or any of them wherever located, until further Order of this Court.

IX.

DISGORGEMENT AND CIVIL PENALTY

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall pay disgorgement, prejudgment interest thereon, and 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. § 78u(d)(3)]. If the parties cannot agree on the appropriate amounts of disgorgement, prejudgment interest and/or civil penalty, the Court shall determine those amounts, or any of them, upon motion of the Commission. Prejudgment interest shall be calculated from April 17, 2006, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26

U.S.C. § 6621(a)(2). In connection with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Defendant will be precluded from arguing that he did not violate the federal securities laws as alleged in the Complaint; (b) Defendant may not challenge the validity of the Consent or this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take relevant discovery, including discovery from appropriate non-parties on written notice to the other party. Nothing in this Judgment shall prevent Defendant from presenting evidence of factors mitigating against the imposition of a civil penalty or the amounts of disgorgement, prejudgment interest, and a civil penalty. Nothing herein or hereunder shall constitute a waiver of Defendant's constitutional or any other rights and privileges, or is deemed to be an admission for any other purpose.

X.

INCORPORATION OF CONSENT

IT IS 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 Defendant shall comply with all of the undertakings and agreements set forth therein.

XI.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this matter for the purposes of enforcing the terms of this Judgment.

XII.

RULE 54(b) CERTIFICATION

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith and without further notice.

Dated this 20 day of April, 2006.


UNITED STATES DISTRICT COURT JUDGE

PAUL C. HUCK

Copies to: All parties and counsel of record.