

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FILED

AUG 21 2000

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

SECURITIES AND EXCHANGE COMMISSION,)

Plaintiff,)

v.)

PAUL A. BILZERIAN,)

Defendant.)

Civil Action No. 89-1854 SSH

ORDER

Before the Court is plaintiff SEC's application for an order holding defendant Bilzerian in contempt of the Court's 1993 disgorgement Orders and 1998 accounting Order. Also before the Court are defendant's motion to strike and request for oral argument and plaintiff's opposition thereto. For the reasons set forth in the accompanying Opinion, the Court finds by clear and convincing evidence that defendant Bilzerian is in civil contempt of the Court's January 28, 1993, and June 25, 1993, disgorgement Orders. For the reasons set forth in the accompanying Opinion, the Court does not find by clear and convincing evidence that defendant Bilzerian is in civil contempt of the Court's November 20, 1998, accounting Order. Accordingly, it hereby is

ORDERED, that defendant is adjudged and decreed to be in contempt of the Court's 1993 disgorgement Orders. It hereby further is

ORDERED, that defendant shall temporarily purge this contempt by: (a) paying \$5,000 into the Registry of the Court on the first day of each month, beginning October 1, 2000, and until further order of the Court, said funds to be held in the Court Registry Investment System; and (b) filing with the Court and serving upon the SEC, by October 2, 2000, the following:

¶ 1. a sworn accounting of all assets in which defendant has any beneficial interest, including, but not

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limited to, the following:

- a. all securities, funds, real estate, and other assets in which he has a direct or indirect beneficial interest, stating the location of each asset and providing documentation of each asset;
 - b. each account with any financial institution or brokerage firm maintained in his name, or in which he has a direct or indirect beneficial interest, including the account statements from each financial institution or brokerage firm;
- ¶ 2. the same accounting required of defendant in ¶ 1 for each of the following entities: (a) the Paul A. Bilzerian and Terri L. Steffan 1995 Revocable Trust; (b) Overseas Holding Company; (c) Overseas Holdings Limited Partnership; (d) Bicoastal Holding Company; and (e) the Paul A. Bilzerian and Terri L. Steffan Irrevocable Trust of 1994 (hereinafter, these five entities are collectively referred to as "the Bilzerian-related entities");¹
- ¶ 3. a sworn statement and complete documentation of all assets received by defendant from any person or entity since January 1, 1997, including the value, location, and disposition of any assets so received;
- ¶ 4. a sworn statement and complete documentation of all expenditures exceeding \$1,000 made by defendant since January 1, 1997, including those made on his behalf by any person or entity;
- ¶ 5. a sworn statement and complete documentation of all transfers of assets since January 1, 1996, made by defendant or a Bilzerian-related entity, including, but not limited to, transfers made to Terri L. Steffan, Adam J. Bilzerian, Dan B. Bilzerian, and the Bilzerian-related entities;

¹ The Court refers to these entities as "the Bilzerian-related entities" because they are listed as entities owned by Bilzerian's family members and of which Bilzerian "may be deemed [to be] the beneficial owner" in a Cimetrix Schedule 13D filed on January 8, 1999.

- ¶ 6. defendant's 1996, 1998, and 1999 personal federal income tax returns;
- ¶ 7. the 1996, 1997, 1998, and 1999 federal tax returns of the Bilzerian-related entities;
- ¶ 8. a complete description of defendant's beneficial interest in, control of, or other relationship to, the Bilzerian-related entities and supporting documentation for these descriptions;
- ¶ 9. the trust instruments for the Paul A. Bilzerian and Terri L. Steffan Revocable Trust of 1995 and the Paul A. Bilzerian and Terri L. Steffan Irrevocable Trust of 1994; and
- ¶ 10. the charter, articles of incorporation, by-laws, and/or other formation documents for Bicoastal Holding Company, Overseas Holdings Limited Partnership, and Overseas Holding Company. It hereby further is

ORDERED, that defendant's failure to temporarily purge the contempt as set forth above will result in his incarceration until such time as he has fully complied with the temporary purgation conditions. It hereby further is

ORDERED, that the above temporary purgation conditions are set without prejudice; the Court will issue final purgation conditions after defendant submits the ordered accounting, statements, and documents, or, if he fails to do so, after the deadline for doing so has passed. It hereby further is

ORDERED, that, by October 16, 2000, the SEC shall file a response to defendant's submission or, if defendant fails to file a submission, a statement of its position as to defendant's failure to comply with the Court's Order. It hereby further is

ORDERED, that plaintiff's application to hold defendant in contempt of the Court's November 20, 1998, accounting Order is denied. It hereby further is

ORDERED, that defendant's motion to strike is denied. It hereby further is

ORDERED, that defendant's request for additional oral argument is denied.

SO ORDERED.



Stanley S. Harris
United States District Judge

Date:

AUG 21 2000