



MICROFILM

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

1979

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

RAPID-AMERICAN CORPORATION, et al.,

Defendants.

Civil Action
No. 79-218

FINAL JUDGMENT OF
PERMANENT INJUNCTION
AGAINST MESHULAM RIKLIS

Plaintiff Securities and Exchange Commission ("Commission") having filed its Complaint for Permanent Injunction ("Complaint") and defendant Meshulam Riklis ("Riklis") (1) having appeared and admitted the jurisdiction of the Court over him and over the subject matter of this action, (2) having waived making of any findings of fact or conclusions of law, (3) before the taking of any testimony and without trial, argument or adjudication of any issue of fact or law hereunder, (4) without admitting or denying the allegations of the Complaint and (5) having consented to the entry of this Final Judgment of Permanent Injunction Against Meshulam Riklis as contained in the Consent and Undertaking of Meshulam Riklis annexed hereto and incorporated herein, therefore:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

I. Riklis, his agents, servants, employees, attorneys-in-fact, successors and assigns, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from violating Section 13(a) of the Securities Exchange Act of 1934 [15 U.S.C. 78m(a)] and Rules 12b-20, 13a-1, 13a-11 and 13a-13 [17 CFR 240.12b-20, 240.13a-1, 240.13a-11 and 240.13a-13] thereunder by, directly or indirectly, filing or aiding and abetting the filing with the Commission on behalf of Rapid-American Corporation ("Rapid"), McCrory Corporation ("McCrory"), Kenton Corporation ("Kenton"), any of their affiliates and subsidiaries, or any other issuer, of any Annual, Periodic, Quarterly or other report which is materially false or misleading or which omits

to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading or which fails to contain information required to be contained on Forms 10-K, 10-Q, 8-K or any other such Forms required to be filed with the Commission.

II. Riklis, his agents, servants, employees, attorneys-in-fact, successors and assigns, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from violating Section 13(d) of the Securities Exchange Act of 1934 [15 U.S.C. 78m(d)] and Rule 13d-1 [17 CFR 240.13d-1] thereunder by, directly or indirectly, filing or aiding and abetting the filing with the Commission on behalf of Kenton, any of its affiliates and subsidiaries, or any other person, a Schedule 13D which is materially false or misleading or which omits to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading or which fails to contain information required to be contained in Schedule 13D.

III. Riklis, his agents, servants, employees, attorneys-in-fact, successors and assigns, and each of them, and all persons acting in concert or participation with them, are hereby permanently restrained and enjoined from violating Section 14(a) of the Securities Exchange Act of 1934 [15 U.S.C. 78n(a)] and Rules 14a-3 and 14a-9 [17 CFR 240.14a-3 and 240.14a-9] thereunder by, directly or indirectly, making or aiding and abetting the making of any solicitation of proxies of shareholders of Rapid, McCrory or any other issuer by means of any proxy statement, form of proxy, notice of meeting or other communication, written or oral, containing any statement which is, at the time and in the light of the circumstances under which it is made, false or misleading with respect to any material fact or which omits to state any material fact required to be stated therein or necessary in order to make the

statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of a proxy for the same meeting or subject matter which has become false or misleading, or making any proxy solicitation in which any person solicited is not timely furnished with a written proxy statement containing the information specified in Schedule 14A [17 CFR 240.14a-101], except where provision of a written proxy statement is not required by applicable law or regulation.

IV. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the annexed Consent and Undertaking of Riklis be, and the same hereby is, incorporated herein with the same force and effect as if fully set forth herein.

V. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Riklis shall fully comply with his undertakings as set forth in the attached Consent and Undertaking of Riklis.

VI. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court retain jurisdiction of this matter for all purposes.

James H. ...
UNITED STATES DISTRICT JUDGE

DATED: August 11, 1979
Washington, D.C.