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JAN 23 2009

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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION - ESSEX COUNTY
DOCKET NO. C-69-04

ANNE MILGRAM
Attorney General of New Jersey on
behalf of AMY KOPLETON,¹ Acting
Chief of the New Jersey Bureau
of Securities,

Plaintiff,

v.

CLOVER MANAGEMENT GROUP, INC.,
CLOVER MERCHANT GROUP, LTD., CLOVER:
DEFENSE PARTNERS, L.P., CLOVER
JCM DEFENSE PARTNERS, LLC, CLOVER
CAPITAL MANAGEMENT, LLC, CMG
ADVISORS, LLC, CLOVER INTERNATIONAL:
ADVISORS, HEBERT MARIO FIGUEROA,
CARMINE RUSSO, THOMAS RUSSO, and
MICHAEL PETROKANSKY a/k/a
MICHAEL PETRO,

Defendants.

Civil Action

ORDER

This matter having been presented to the Court by the Attorney
General of New Jersey on behalf of Amy Kopleton, Acting Bureau
Chief of the New Jersey Bureau of Securities, (Deputy Attorney

¹ This action was commenced on behalf of the former Bureau Chief of the
New Jersey Bureau of Securities. In accordance with R. 4:34-4, the caption
has been revised to reflect the current Acting Chief of the New Jersey Bureau
of Securities.

General Isabella T. Stempler, appearing) seeking to enforce the settlement between Plaintiff and defendant Michael Petrokansky aka Michael Petro ("Petrokansky"), which was placed on the Court's record on April 22, 2008, and the Court having considered the papers submitted in support thereof, and the Court having found that ~~defendant has failed and refused to sign~~ ~~the terms of which are set forth herein~~ ~~and for the reasons set forth on the record,~~ the form of Consent Order and Final Judgment between Plaintiff and defendant Petrokansky, ~~and for the reasons set forth on the record,~~ and for good cause shown,

IT IS on this 23rd day of January, 2009

ORDERED:

1. The Court finds that the settlement placed on the Court's record on April 22, 2008 is enforceable;
2. Plaintiff and defendant Petrokansky agreed to resolve any and all issues in controversy in this action;
3. The Court makes no findings of fact or conclusions of law with respect to the allegations set forth in the Second Amended Verified Complaint against Petrokansky;
4. The following findings are made by the Acting Chief of the New Jersey Bureau of Securities, which Defendant Petrokansky neither admits or denies:
 - a) at all relevant times, defendant Petrokansky served as an unregistered agent of defendants Clover Management Group, Inc., Clover Merchant Group, Ltd., Clover JCM Defense

- Partners, LLC, Clover Defense Partners, LP, CMG Advisors, LLC, Clover Capital Management LLC, Clover International Advisors (hereinafter "the Clover Entities" or "Clover") by selling or attempting to sell unregistered securities;
- b) Petrokansky is not now and never has been has been registered with the New Jersey Bureau of Securities as an agent, to offer or sell securities of the Clover Entities in the State of New Jersey, nor was he exempt from registration;
 - c) the Clover Entities are not now and never have been registered with the Bureau in any capacity, nor were they exempt from registration;
 - d) the Clover Entities operated as unregistered broker-dealers in effecting the offer and sale of securities from, to or within New Jersey, in violation of N.J.S.A. 49:3-56(a);
 - e) the securities offered by the Clover Entities and/or Petrokansky and others from New Jersey were not registered, not a federal covered security, nor exempt from registration in violation of N.J.S.A. 49:3-60;
 - f) the Clover Entities employed a scheme to defraud investors by: (1) promising investors guaranteed returns on investments that were not guaranteed; (2) misrepresenting the nature and solvency of the

investments to investors; (3) failing to return investor funds; and (4) misappropriating investor funds for personal benefit and use in violation of N.J.S.A. 49:3-52(a);

- g) a Clover Defense Partners Offering Circular ("Offering Circular") was distributed to investors by agents of the Clover Entities, including Petrokansky. The Offering Circular made materially false and misleading statements, in violation of N.J.S.A. 49:3-52(b), including, but not limited to:
- i. investor funds would be escrowed pending the closing of each acquisition;
 - ii. investor principal investment would receive a first priority payout upon disposition, a 10% coupon;
 - iii. rate of return would be "5 times the money" invested; and
 - iv. full return of principal investment within 60-90 days;
- h) the Offering Circular omitted stating material facts to investors including, but not limited to, that the securities were sold by unregistered persons in violation of N.J.S.A. 49:3-56(a); and
- i) Petrokansky generated commissions of over \$1.5 million from sales of unregistered securities to at least nine

investors. With respect to each investor, Petrokansky received commissions and in at least one case, the commission exceeded 40% of the investment. Such practice and/or course of business operated as a fraud and/or deceit upon investors in violation of N.J.S.A. 49:3-52(c).

PERMANENT INJUNCTION

5. Defendant Petrokansky individually and by or through any corporation, business entity, agent, employee, partner, officer, director, attorney, stockholder, successor, and/or any other person who is directly or indirectly under his control or direction, is permanently restrained and enjoined from directly or indirectly violating the Securities Law and, specifically, from engaging in the following conduct:

- (i) offering for sale or selling, distributing, advertising, soliciting, negotiating, advancing the sale of and/or promoting any securities in any manner to, from or within the State of New Jersey;
- (ii) issuing securities or engaging in any securities related activity in the State of New Jersey;
- (iii) acting as an unregistered agent in the State of New Jersey in violation of N.J.S.A. 49:3-56(a); and
- (iv) engaging in the conduct described in plaintiffs' Second Amended Verified Complaint.

6. Defendant Petrokansky is barred from being or acting as a partner, officer, agent, representative or director of an issuer, broker-dealer or investment adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being controlled by an issuer, broker-dealer or investment adviser, or from seeking registration as a broker-dealer, agent or investment adviser in New Jersey.

RESTITUTION AND CIVIL MONETARY PENALTY

7. Defendant Petrokansky shall make restitution to investors in the amount of \$100,000 pursuant to N.J.S.A. 49:3-69(a)(2).
8. Defendant Petrokansky is assessed a civil monetary penalty, pursuant to N.J.S.A. 49:3-70.1, in the amount of \$25,000.
9. Payment of restitution and civil monetary penalty shall be made as follows:
 - (a) upon the entering of this Order by the Court, Petrokansky shall immediately tender to the Bureau \$40,000 of restitution monies;
 - (b) Petrokansky shall pay \$28,333 on the first day of the twelfth month following the date this Order is entered by the Court;
 - (c) Petrokansky shall pay \$28,333 on the first day of the twenty-fourth month following the date this Order is entered by the Court;

(d) Petrokansky shall pay \$28,334 on the first day of the thirty-sixth month following the date this Order is entered by the Court;

(e) all payments shall be made by attorney trust fund account check, certified check or other guaranteed funds, made payable to the "State of New Jersey, Bureau of Securities" and delivered to the attention of the Acting Bureau Chief, at the following address:

New Jersey Bureau of Securities,
153 Halsey Street, 6th Floor,
Newark, New Jersey 07102;

(f) default will be deemed to have occurred if the Bureau does not receive an installment payment within fifteen (15) days of the date that the installment is due; and

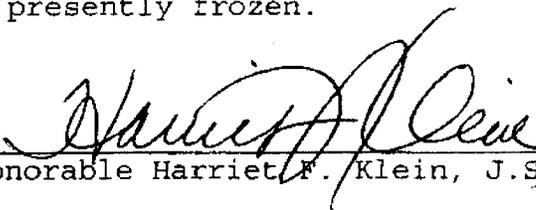
(g) should a default occur, the entire balance due of the civil monetary penalty shall become immediately due and owing.

10. Final judgment in the amount of \$125,000 is entered against defendant Michael Petrokansky, aka Michael Petro representing \$100,000 in restitution and \$25,000 in civil monetary penalty.

11. The Receiver shall continue to act in accordance with the February 26, 2004 and April 14, 2004 Orders entered in this matter pending further Order of the Court.

12. The Court shall retain jurisdiction to enforce this Order and over all the matters relating to the Receiver and the

receivership estate, including, but not limited to,
disbursement of funds presently frozen.


Honorable Harriet F. Klein, J.S.C.

In accordance with the required statement to R. 1:6-2(a), this
motion was

_____ opposed unopposed.