

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
CASE NO. 06-61251-CIV-SEITZ/SIMONTON

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

DAWN M. SCHLEGEL, and  
SANDRA L. HATFIELD,

Defendants.

/

**FINAL JUDGMENT OF PERMANENT INJUNCTION  
AGAINST DEFENDANT DAWN M. SCHLEGEL**

Pursuant to the Order Granting Motion for Entry of Final Judgments [DE-57], final judgment against Defendant Dawn M. Schlegel is

ENTERED as follows:

**I.**

**Section 10(b) and Rule 10b-5 of the Exchange Act**

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED** that Defendant Dawn M. Schlegel is 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 the 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;

by, directly or indirectly, (i) creating a false appearance or otherwise deceiving any person about the price or trading market for any security, (ii) making any false or misleading statement, or disseminating any false or misleading documents, materials, or information, concerning matters relating to a decision by an investor or prospective investor to buy or sell securities of any company, (iii) buying or selling a security of any issuer, on the basis of material nonpublic information, in breach of a fiduciary duty or other duty of trust or confidence that is owed directly, indirectly, or derivatively, to the issuer of that security or the shareholders of that issuer, or to any other person who is the source of the information; or (iv) by communicating material nonpublic information about a security or issuer, in breach of a fiduciary duty or other duty of trust or confidence, to another person or persons for purposes of buying or selling any security.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) any of Defendant Dawn M. Schlegel's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant Dawn M. Schlegel or with anyone described in (a).

## II.

### **Aiding and Abetting Violations of 13(a) and Rules 12b-20, 13a-1, 13a-11, and 13a-13 of the Exchange Act**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant Dawn M. Schlegel is restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act, (15 U.S.C. § 78m(a)) and Rules 12b-20, 13a-1, 13a-11, and 13a-13 thereunder, (17 C.F.R. §§ 240.12b-20, 240.13a-1, 240.13a-11, and 240.13a-13), by providing substantial assistance to an issuer that fails to timely and accurately file annual and quarterly reports with the Commission regarding its assets, liabilities, and related party descriptions and transactions; omitting information necessary to make the required information,

in the light of the circumstances under which they were made, not misleading; or by filing or causing to be filed with the Commission materially false and misleading financial statements.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) any of Defendant Dawn M. Schlegel's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant Dawn M. Schlegel or with anyone described in (a).

III.

**Aiding and Abetting Violations of 13(b)(2)(A) and (B) of the Exchange Act**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that Defendant Dawn M. Schlegel is restrained and enjoined from aiding and abetting any violation of Section 13(b)(2)(A) or (B) of the Exchange Act, (15 U.S.C. §§ 78m(b)(2)(A) and (b)(2)(B)), by providing substantial assistance to an issuer that fails to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflected the transactions and dispositions of its assets, and failed to devise and maintain a system of internal controls sufficient to provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in conformity with Generally Accepted Accounting Principles or any other criteria applicable to such statements.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) any of Defendant Dawn M. Schlegel's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant Dawn M. Schlegel or with anyone described in (a).

IV.

**Violations of 13(b)(5) and Rule 13b2-1 of the Exchange Act**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that

Defendant Dawn M. Schlegel is restrained and enjoined from any violation of Section 13(b)(5) or Rule 13b2-1 of the Exchange Act, (15 U.S.C. § 78m(b)(5), and Rule 13b2-1, 17 C.F.R. § 240.13b2-1), by circumventing or failing to implement a system of internal controls or falsifying an issuers' books, records, or accounts.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) any of Defendant Dawn M. Schlegel's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant Dawn M. Schlegel or with anyone described in (a).

V.

**Violations of Rule 13b2-2 of the Exchange Act**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that

Defendant Dawn M. Schlegel is restrained and enjoined from any violation of Rule 13b2-2 of the Exchange Act, (17 C.F.R. § 240.13b2-2), by making or causing to be made materially false or misleading statements to an accountant in connection with audits, reviews, or examinations of the financial statements of an issuer and the preparation of filing of documents and reports required to be filed with the Commission.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) any of Defendant Dawn M. Schlegel's officers, agents, servants, employees, and attorneys; and (b)

other persons in active concert or participation with Defendant Dawn M. Schlegel or with anyone described in (a).

**VI.**

**Violations of Rule 13a-14 of the Exchange Act**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that

Defendant Dawn M. Schlegel is restrained and enjoined from any violation of Rule 13a-14 of the Exchange Act, (17 C.F.R. § 240.13a-14) by directly or indirectly, as an officer or director of an issuer, falsely certifying in annual and quarterly reports that based on his knowledge, disclosure reports did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report.

**IT IS FURTHER ORDERED, ADJUDGED, AND DECREED** that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) any of Defendant Dawn M. Schlegel's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendant Dawn M. Schlegel or with anyone described in (a).

**VII.**

**Officer and Director Bar**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that pursuant to Section 21(d)(2) of the Exchange Act (15 U.S.C. § 78u(d)(2)), Defendant Dawn M. Schlegel is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act (15 U.S.C. § 78l) or that is required to file reports pursuant to Section 15(d) of the Exchange Act (15 U.S.C. § 78o(d)).

**VIII.**

**Dismissal of the Commission's Monetary Claims**

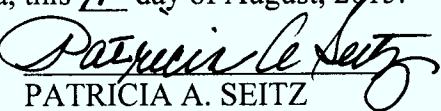
**IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED** that in light of the criminal sanctions imposed against Defendant Dawn M. Schlegel, the Commission's claims for disgorgement, prejudgment interest thereon, and civil penalties pursuant to Sections 21(d)(3) and 21A of the Exchange Act, 15 U.S.C. §§ 78u(d)(3) and 78u-1 are hereby dismissed with prejudice.

**IX.**

**Retention of Jurisdiction**

**IT IS HEREBY FURTHER ORDERED** that this Court shall retain jurisdiction over this matter and Defendant Dawn M. Schlegel in order to implement and carry out the terms of all Orders and Decrees that may be entered and/or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court, and will order other relief that this Court deems appropriate under the circumstances.

DONE AND ORDERED in Miami, Florida, this 11<sup>th</sup> day of August, 2015.

  
PATRICIA A. SEITZ  
UNITED STATES DISTRICT JUDGE

cc: All Counsel of Record.