

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION**

UNITED STATES SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

K&L INTERNATIONAL ENTERPRISES, INC.,
SIGNATURE LEISURE, INC., SIGNATURE
WORLDWIDE ADVISORS, LLC, STEPHEN W.
CARNES, LAWRENCE A. POWALISZ, ENZYME
ENVIRONMENTAL SOLUTIONS, INC. and JARED E.
HOCHSTEDLER,

JUDGE GREGORY A. PRESNELL

No. 6:09-cv-01638-GAP-KRS

Defendants.

**FINAL JUDGMENT AS TO DEFENDANT
STEPHEN W. CARNES**

Upon consideration of Plaintiff's Motion for Entry of Final Judgment (Doc. 52), it is

ORDERED that:

1. Defendant, Stephen W. Carnes, and Defendant's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 5 of the Securities Act of 1933 [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].

2. Defendant is barred for three years from the date of this Order from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. 240.3a51-1].

3. Defendant is liable for disgorgement of \$818,261.00, representing profits gained as a result of the conduct alleged in the Complaint, of which \$716,904.00 shall be payable jointly and severally with Defendant Signature Worldwide Advisors, LLC (“Signature Worldwide”), together with prejudgment interest thereon in the amount of \$25,301.63, of which \$16,456.52

shall be payable jointly and severally with Defendant Signature Worldwide, and a civil penalty in the amount of \$100,000.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]. Defendant shall satisfy this obligation by paying \$943,562.63 pursuant to the terms of the payment schedule set forth in paragraph 4 below after entry of this Final Judgment to the Clerk of this Court, together with a cover letter identifying Stephen W. Carnes as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Defendant relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Defendant. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

The Commission may by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair

Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Defendant shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Defendant's payment of disgorgement in this action, argue that he is entitled to, nor shall he further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Defendant's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Defendant by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

4. Defendant Stephen W. Carnes shall pay \$943,562.63 in five installments according to the following schedule: (1) \$200,000.00, within 14 days of entry of this Final Judgment; (2) \$186,000.00 within 90 days of entry of this Final Judgment, plus post-judgment interest pursuant to 28 U.S.C. § 1961; (3) \$186,000.00 within 180 days of entry of this Final Judgment, plus post-judgment interest pursuant to 28 U.S.C. § 1961; (4) \$186,000.00 within 270 days of entry of this Final Judgment, plus post-judgment interest pursuant to 28 U.S.C. § 1961;

and (5) \$185,562.63 within 360 days of entry of this Final Judgment, plus post-judgment interest pursuant to 28 U.S.C. § 1961. If Defendant fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including post-judgment interest, minus any payments made, shall become due and payable immediately without further application to the Court. When calculating the installment payments, the parties shall deduct any payments made by Signature Worldwide, up to \$733,360.52, plus applicable post-judgment interest, from the amounts that Defendant Signature Worldwide Advisors, LLC has been ordered to pay.

5. 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.

6. This Court shall retain jurisdiction of this matter until December 31, 2012 for the purposes of enforcing the terms of this Final Judgment.

DONE and ORDERED this 22nd day of December, 2010.

Copies to:

Counsel of Record



GREGORY A. PRESNELL
UNITED STATES DISTRICT JUDGE