

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Case No. 6:12-cv-646-Orl-37KRS

CHRISTEL S. SCUCCI; KAREN S. BEACH;
CAMERON H. LINTON, ESQ.; PROTÉGÉ
ENTERPRISES, LLC; and CAPITAL EDGE
ENTERPRISES, LLC,

Defendants.

_____ /

FINAL JUDGMENT AS TO DEFENDANT KAREN S. BEACH

This cause is before the Court on consideration of Plaintiff's motion pursuant to Rule 55(b)(2) of the Federal Rules of Civil Procedure for entry of default judgment of permanent injunction against Defendant Karen S. Beach (Defendant). The Clerk entered a default against Defendant on August 9, 2012. (Doc. 23.) This matter is now ripe for adjudication. After a careful review of the record and the Court being otherwise fully advised:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Plaintiff's Motion be granted and that Final Judgment be entered in favor of Plaintiff against Defendant.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant 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 ("Securities Act") [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].¹

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is permanently barred from participating in an offering of penny stock, including engaging in

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The Court is aware of the U.S. Court of Appeals for the Eleventh Circuit's recent opinion in *SEC v. Goble*, 682 F.3d 934 (11th Cir. 2012), which held that an overly broad, "obey-the-law" injunction was impermissible in the context of Sections 10b-5, 15, and 17 of the Securities Act. However, the Eleventh Circuit also stated:

Permitting injunctions of some breadth in the context of civil enforcement actions brought by the SEC is warranted. . . . [A] broad, but properly drafted injunction, which largely uses the statutory or regulatory language may satisfy the specificity requirement of Rule 65(d) so long as it clearly lets the defendant know what he is ordered to do or not do.

Id. at 952. The Court takes that dicta into account when construing the different statutory language in the context of Section 5 here. Accordingly, the Court finds that this language, taken with the record as a whole, demonstrates a sufficient clarity of Defendant's obligations to bring this injunction within the strictures of Fed. R. Civ. P. 65(d). *See United States v. Sarcona*, 457 Fed. App'x 806, 811-12 (11th Cir. 2012) (citing *Chathas v. Local 134 IBEW*, 233 F.3d 508, 513 (7th Cir. 2000) (Posner, J.), in upholding an injunction because the defendant's "obligations were intelligible and capable of enforcement").

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 Securities Exchange Act of 1934 [17 C.F.R. 240.3a51-1].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable, jointly and severally with Defendant Capital Edge Enterprises, LLC, for disgorgement of \$249,540.89, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$19,395.84. Defendant is also liable for a civil penalty in the amount of \$30,000.00 pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]. Defendant shall satisfy this obligation by paying \$298,936.73 to the Securities and Exchange Commission within 14 days after entry of this Final Judgment.

Payment may be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; Karen S. Beach as a defendant in this action; and specifying that payment is made pursuant to this Final Judgment.

Defendant shall simultaneously transmit photocopies of evidence of payment and case identifying information 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. The Commission shall send the funds paid pursuant to this Final Judgment to the United States Treasury.

The Commission may enforce the Court's judgment for disgorgement and prejudgment interest by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Final Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

The Clerk is directed to enter this Final Judgment without further notice.

DONE and ORDERED in Orlando, Florida this 2nd day of November, 2012.



ROY B. DALTON, JR.
United States District Judge

Copies: Counsel of Record
Pro Se Party