

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

**CLOSED
CIVIL
CASE**

SECURITIES AND EXCHANGE COMMISSION,)
)
) **Plaintiff,**)
)
) **v.**)
)
) GLOBAL ASSET PARTNERS, LTD.,)
) GLOBAL SERVICES GROUP, LLC,)
) GLOBAL INTERNET FUND GROUP, INC., and)
) WILLIAM L. HAYNES)
)
) **Defendants,**)
)
) **and**)
)
) CENTURION INTERNATIONAL, LLC)
)
) **Relief Defendant.**)
)

CASE NO.
01-8862
CIV-MIDDLEBROOKS

**MAGISTRATE JUDGE
BANDSTRA**

FILED by *MB* D.C.
OCT 01 2001
CLARENCE MADDOX
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

**JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF
AS TO DEFENDANTS GLOBAL SERVICES GROUP, LLC, GLOBAL
INTERNET FUND GROUP, INC. AND WILLIAM HAYNES AND
RELIEF DEFENDANT CENTURION INTERNATIONAL, LLC**

Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against, among others, defendants Global Services Group, LLC ("Global Services"), Global Internet Fund Group, Inc. ("Global Internet"), and William L. Haynes ("Haynes") (collectively, "Defendants"), and relief defendant Centurion International, LLC ("Centurion" or "Relief Defendant"). In its Complaint, the SEC sought declaratory relief and a permanent injunction to prohibit violations by Defendants of Sections 5(a), 5(c), and 17(a) of the Securities Act of 1933 ("Securities Act"), and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 10b-5 thereunder. The Complaint also sought other relief against Defendants and Relief Defendant in the form

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of accountings, disgorgement, an order freezing assets, repatriation of funds, records preservation, the appointment of a receiver for the corporate Defendants and Relief Defendant and, as against Defendant Haynes, the imposition of a civil penalty.

Defendants and Relief Defendant, by their Consents attached hereto, executed without admitting or denying any of the allegations in the SEC's Complaint or any other papers filed herein, except as to the jurisdiction of this Court, and with the SEC having preserved its right to seek further relief in the form of disgorgement plus prejudgment interest thereon, and to seek civil penalties as prayed for in the Complaint, have agreed to the entry of this Judgment of Permanent Injunction and Other Relief ("Judgment"). This Court having accepted such Consents and this Court having jurisdiction over the Defendants and Relief Defendant and the subject matter hereof, and the Court being fully advised in the premises,

I.

**VIOLATION OF SECTIONS 5(a)
AND 5(c) OF THE SECURITIES ACT**

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Defendants, their officers, agents, servants, employees, representatives, and all persons in active concert or participation with them, and each of them, directly or indirectly, who receive actual notice of this Judgment, by personal service or otherwise, be and they hereby are permanently restrained and enjoined from, directly or indirectly:

- (a) making use of the means or instruments of transportation or communication in interstate commerce or of the mails to sell any security, in the form of units, common stock, warrants or any other security through the use or medium of any prospectus or otherwise, unless and until a registration statement is in effect with the Commission as to such security;

- (b) carrying or causing to be carried through the mails or in interstate commerce, by means or instruments of transportation, any security, in the form of units, common stock, warrants or any other security, for the purpose of sale or delivery after sale, unless and until a registration statement is in effect with the Commission as to such security; 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 any security, in the form of units, common stock, warrants or any other security, through the use or medium of any prospectus or otherwise unless and until a registration statement is filed with the Commission as to such security, or while a registration statement filed with the Commission as to such security 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,

in violation of Sections 5(a) and 5(c) of the Securities Act, 15 U.S.C. §§ 77e(a) and 77e(c); provided, however, that nothing in the foregoing portion of this injunction shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act, 15 U.S.C. § 77e.

II.

VIOLATION OF SECTION 17(a) OF THE SECURITIES ACT

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, directly or indirectly, who receive actual notice of this Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, in the

offer or sale of any security, by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails:

- (a) knowingly or recklessly employing any device, scheme or artifice to defraud;
- (b) obtaining money or property by means of any untrue statement of material fact or omission to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) engaging in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon purchasers or prospective purchasers of any such security,

in violation of Sections 17(a)(1), 17(a)(2) and 17(a)(3) of the Securities Act, 15 U.S.C. §§ 77q(a)(1), 77q(a)(2) and 77q(a)(3).

III.

VIOLATION OF SECTION 10(b) OF THE EXCHANGE ACT AND RULE 10b-5 THEREUNDER

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, directly or indirectly, who receive actual notice of this Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly or recklessly, directly or indirectly, singly or in concert, as aiders and abettors or otherwise, in connection with the purchase or sale of any security, by use of any means or instrumentality of interstate commerce or of the mails, or of any facility of any national securities exchange:

- (a) employing any device, scheme, or artifice to defraud;

- (b) making any untrue statements of material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person,

in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5, thereunder.

IV.

VIOLATION OF SECTION 15(a)(1) OF THE EXCHANGE ACT

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that

Defendants, their officers, agents, servants, employees, attorneys in fact, and all persons in active concert or participation with them, and each of them, directly or indirectly, by making use of the mails or any means or instrumentality of interstate commerce to effect any transactions in, or to induce or attempt to induce the purchase or sale of securities, while acting as a broker or dealer engaged in the business of effecting transactions in securities for the accounts of others, but not registered as a broker-dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b), in violation of Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78o(a)(1).

V.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED that Defendants and Relief Defendant are liable for disgorgement; Defendants and Relief Defendant shall disgorge all ill-gotten profits or proceeds that they received, directly or indirectly, as a result of the acts and/or conduct alleged in the Complaint, plus pre-judgment interest thereon. The amount of disgorgement shall be determined by agreement of

the parties. In the event the parties do not agree upon the disgorgement amount, the Court will determine the appropriate amount of disgorgement upon the Commission's motion; nothing in this Judgment shall prevent Defendant Haynes from presenting evidence regarding the amount of disgorgement sought by the Commission in such motion.

VI.

CIVIL PENALTIES

IT IS HEREBY FURTHER ORDERED that the amount of a civil penalty, if any, that the Defendant Haynes shall be required to pay pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d) and Section 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3), in connection with the acts and/or conduct described in the Commission's Complaint, shall be determined by the Court upon the Commission's motion; solely for the purposes of this determination, Defendant Haynes may not, by way of defense to such a motion, challenge or otherwise contest the allegations of the Complaint, which shall be deemed true for purposes of this motion. Nothing in this Judgment shall prevent Defendant Haynes from presenting evidence of factors mitigating against the imposition of a civil penalty, or its amount.

VII.

ACCOUNTING

A. BY DEFENDANT HAYNES

IT IS HEREBY FURTHER ORDERED that Defendants Haynes shall make a sworn accounting to this Court within forty-five (45) days of the issuance of this Judgment setting forth a detailed itemization of:

- (a) all funds received since January 1, 1998 from any source, including, but not limited to, funds received as a result of the acts and/or conduct alleged in the Complaint;

- (b) all funds, whether in the form of compensation, commissions, income (including payments for assets, shares or property of any kind), and other benefits (including the provision of services of a personal or mixed business and personal nature) received since January 1, 1998 from Defendants Global Services, Global Internet, and Global Asset Partners, Inc., and Relief Defendants Centurion and Global Internet Fund, Inc.; and
- (c) all assets, funds, or other properties held by him, jointly or individually, or for direct or indirect beneficial interest, or over which he maintains control, wherever situated, stating the location, value, and disposition of each such asset, and other property.

B. BY DEFENDANTS GLOBAL SERVICES AND GLOBAL INTERNET AND RELIEF DEFENDANT CENTURION

IT IS HEREBY FURTHER ORDERED that Defendants Global Services and Global Internet and Relief Defendant Centurion shall each make a sworn accounting to this Court within fourteen (14) business days of the issuance of this Judgment setting forth a detailed itemization of:

- (a) all funds received from any source, including, but not limited to, funds received from sales of securities in the form of units, common stock or warrants;
- (b) all compensation, income (including payment for assets, shares or property of any kind), other benefits (including the provision of services of a personal or mixed business and personal nature) that Global Services, Global Internet, and Centurion have paid to Haynes, directly or indirectly; and

- (c) all assets, funds, or other properties held in their names, or for their direct or indirect beneficial interest, or over which they maintain control, wherever situated, stating the location, value, and disposition of each such asset, fund, and other property.

VIII.

ASSET FREEZE

IT IS HEREBY FURTHER ORDERED that, Defendants and Relief Defendant, their officers, directors, agent, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, who receive actual notice of this Judgment by personal service, mail, facsimile transmission or otherwise, except any Receiver that may be appointed by this Court, be and they hereby are, restrained from, directly or indirectly, transferring, setting off, receiving, changing, selling, pledging, assigning, liquidating or otherwise disposing of, or withdrawing any assets or property owned by, controlled by, or in their possession, including, but not limited to, cash, free credit balances, fully paid for securities, and/or property pledged or hypothecated as collateral for loans.

IX.

REPATRIATION

IT IS HEREBY FURTHER ORDERED that Defendants and Relief Defendant, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with anyone or more of them, and each of them, shall:

- (a) take such steps as are necessary to repatriate to the territory of the United States all funds and assets of investors described in the Commission's Complaint in this action which are held by them or are under their direct control, jointly or singly, and turn over such funds to the Court-appointed Receiver, who shall hold them in a separate account pending

further order of this Court, or, if the Court has not appointed a Receiver, to deposit such funds into the registry of the United States District Court for the Southern District of Florida; and

- (b) provide the Commission and the Court a written description of the funds and assets so repatriated within thirty (30) days of the issuance of this Judgment.

X.

RECORDS PRESERVATION

IT IS HEREBY FURTHER ORDERED that, Defendants and Relief Defendant, their directors, officers, agents, servants, employees, attorneys, depositories, banks, and those persons in active concert or participation with any one or more of them, and each of them, who receive actual notice of this Judgment by personal service, mail, facsimile transmission or otherwise, be and they hereby are restrained and enjoined from, directly or indirectly, destroying, mutilating, concealing, altering, disposing of, or otherwise rendering illegible in any manner, any of the books, records, documents, correspondence, brochures, manuals, papers, ledgers, accounts, statements, obligations, files and other property of or pertaining to the Defendants and Relief Defendant wherever located, until further Order of this Court.

XI.

INCORPORATION OF CONSENTS

IT IS HEREBY FURTHER ORDERED that Defendants and Relief Defendant shall comply with the provisions of the Consents attached hereto, and that such Consents are incorporated herein by reference as if fully set forth herein.

XII.

NOTICES

IT IS HEREBY FURTHER ORDERED that, in the event any Defendant or Relief Defendant is no longer represented by counsel in this action, such Defendant or Relief Defendant shall provide the Commission, at all times during the pendency of this action, with its current address for purposes of service of filings and other communications. Such notice shall be provided in writing to: Teresa J. Verges, Senior Trial Counsel, Securities and Exchange Commission, 1401 Brickell Avenue, Suite 200, Miami, Florida 33131. Should such Defendant or Relief Defendant fail to provide such notice, service by mail at the Defendant's or Relief Defendant's last known address shall be deemed proper service.

XIII.

RETENTION OF JURISDICTION

IT IS HEREBY FURTHER ORDERED that this Court shall retain jurisdiction over this matter and Defendants and Relief Defendant 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 this 1st day of October, 2001, at Miami, Florida.


UNITED STATES DISTRICT JUDGE

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