

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**Case No. 02-23048-CIV-UNGARO-BENAGES/BROWN**

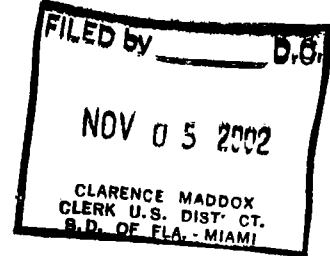
**SECURITIES AND EXCHANGE COMMISSION,**

**Plaintiff,**

**v.**

**FLORIDA STOCK TRANSFER, INC.,  
VECTOR HOLDINGS CORPORATION,  
and ALLEN E. WEINTRAUB,**

**Defendants.**



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**JUDGMENT OF PERMANENT INJUNCTION AND  
OTHER RELIEF AS TO DEFENDANTS FLORIDA STOCK TRANSFER, INC.,  
VECTOR HOLDINGS CORPORATION AND ALLEN E. WEINTRAUB**

Defendants Florida Stock Transfer, Inc. ("FST"), Vector Holdings Corporation ("Vector") and Allen E. Weintraub ("Weintraub") by the Consents annexed hereto, without admitting or denying any of the allegations in the Securities and Exchange Commission's ("SEC") Complaint, except that they are admitting the allegation as to the jurisdiction of this Court over them and over the subject matter of this action, have agreed to the entry of this Order of Permanent Injunction and Other Relief ("Judgment"). This Court having accepted such Consents and having jurisdiction over FST, Vector and Weintraub and the subject matter hereof, and the Court being fully advised in the premises:

**I.**

**PERMANENT INJUNCTION AS TO FST AND WEINTRAUB**

**IT IS HEREBY ORDERED** that FST and Weintraub, their directors, officers, agents,

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servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby restrained and enjoined, when acting as a registered transfer agent or control affiliate thereof, from:

**Section 17(a)(1), (a)(3) and Section 17A(d)(1) of the Securities Exchange Act of 1934**

A. directly or indirectly, failing to make and keep for prescribed periods such records, furnish such copies thereof, and make and disseminate such reports as the Commission, by rule, prescribes pursuant to Sections 17(a)(1) and (a)(3) of the Securities Exchange Act of 1934 [15 U.S.C. 78q(a)(1) and (a)(3)];

B. directly or indirectly, engaging in any activity as transfer agent in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate, in violation of Section 17A(d)(1) of the Securities Exchange Act of 1934 [15 U.S.C. 78q-1(d)(1)];

**Rule 17Ac2-1 of the Securities Exchange Act of 1934**

C. directly or indirectly, failing to correct inaccurate, misleading, or incomplete information contained in the Form TA-1 by filing an amendment within sixty days following the date on which the information became inaccurate, misleading, or incomplete, pursuant to Rule 17Ac2-1 of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ac2-1];

**Rules 17Ad-6(a)(1), (a)(8), (b), and (c) of the Securities Exchange Act of 1934**

D. directly or indirectly, failing to:

- (1) make and keep current a receipt, ticket, schedule, log or other record showing the business day each routine item and each non-routine item is
  - (i) received from the presentor and
  - (ii) made available to the presentor;

- (2) keep any document, resolution, contract, appointment or other writing, and any supporting document, concerning the appointment and the termination of such appointment to act in any capacity for any issue on behalf of the issuer;
- (3) obtain from the issuer or its former transfer agent, and retain, documentation setting forth the total number of shares and the total issued and outstanding shares pursuant to issuer authorization; and
- (4) retain each cancelled registered share, warrant or right, or other certificate of ownership and all accompanying documentation, except legal papers returned to the presentor,

pursuant to Rules 17Ad-6(a)(1), (a)(8), (b), and (c) of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-6(a)(1), (a)(8), (b), and (c)];

**Rules 17Ad-7(a), (c), and (d) of the Securities Exchange Act of 1934**

E. directly or indirectly, failing to:

- (1) maintain the records required by Rule 17Ad-6(a)(1) for a period of not less than two years, the first six months in an easily accessible place;
- (2) maintain the records required by Rules 17Ad-6(a)(8) and (b) in an easily accessible place during the continuance of the transfer agency and shall be maintained for one year after termination of the transfer agency; and
- (3) maintain the records required by Rule 17Ad-6(c) for a period of not less than six years, the first six months in an easily accessible place,

pursuant to Rules 17Ad-7(a), (c), and (d) of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-7(a), (c), and (d)];

**Rules 17Ad-10(b), (e), and (h) of the Securities Exchange Act of 1934**

F. directly or indirectly, failing to:

- (1) maintain and keep current an accurate master securityholder file and subsidiary files;
- (2) maintain and keep current an accurate control book for each issue of securities; and
- (3) carry over any existing certificate detail required by the Securities Exchange Act of 1934 on the master securityholder file,

pursuant to Rules 17Ad-10(b), (e), and (h) of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-10(b), (e), and (h)];

**Rule 17Ad-11 of the Securities Exchange Act of 1934**

G. directly or indirectly, failing to within ten business days following the end of each month report to the issuer and the Commission when the aggregate market value of aged record differences (i.e. when either the total number of shares in the master securityholder file does not equal the number of shares in the control book, or the security transferred or redeemed contains certificate detail different from the certificate detail currently on the master securityholder file, for a period of more than thirty calendar days) in equity security issues maintained for an issuer exceeds the thresholds set forth in the Rule, pursuant to Rule 17Ad-11 of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-11];

**Rule 17Ad-12 of the Securities Exchange Act of 1934**

H. directly or indirectly, failing to assure that all such securities are held in safekeeping and are handled, in light of all facts and circumstances, in a manner reasonably free from risk of destruction, theft or other loss, pursuant to Rule 17Ad-12 of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-12];

**Rules 17Ad-15(c) and (e)(1) of the Securities Exchange Act of 1934**

I. directly or indirectly, failing to establish: (1) written standards for the acceptance of guarantees of securities transfers from eligible guarantor institutions; and (2) procedures, including written guidelines where appropriate to ensure that those standards are used in determining whether to accept or reject guarantees from eligible guarantor institutions, and maintain a copy of such standards and procedures in an easily accessible place, pursuant to Rule 17Ad-15(c) and (e)(1) of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-15(c) and (e)(1)];

**Rule 17Ad-16(a) of the Securities Exchange Act of 1934**

J. directly or indirectly, failing to immediately send written notice of assumption of transfer agent services on behalf of an issuer of securities to the appropriate qualified registered securities depository on or before the later of ten calendar days prior to the effective date of such change in status or the day the transfer agent is notified of the effective date of such change in status including name, address, telephone number, and FINS number, the issuer's name, and the issue or issues handled and their CUSIP number(s), pursuant to Rule 17Ad-16(a) of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-16(a)];

**Rule 17Ad-17(c) of the Securities Exchange Act of 1934**

K. directly or indirectly, failing to maintain written procedures describing the transfer agents methodology for searching for lost securityholders as required by Rule 17Ad-17(c) of the Securities Exchange Act of 1934 [17 C.F.R. 240.17Ad-17(c)];

**Rule 17f-2 of the Securities Exchange Act of 1934**

L. directly or indirectly, failing to fingerprint each of its directors, officers and employees and submit, or cause to be submitted, the fingerprints of such persons to the Attorney General of the United States or its designee for identification and appropriate processing, pursuant to Rule 17f-2 of the Securities Exchange Act of 1934 [17 C.F.R. 240.17f-2].

**II.**

**PERMANENT INJUNCTION AS TO VECTOR AND WEINTRAUB**

**IT IS HEREBY ORDERED** that Vector and Weintraub, their directors, officers, agents, servants, employees, attorneys, and those persons in active concert or participation with them, and each of them, are hereby restrained and enjoined from:

**Section 17(a)(1) of the Securities Act of 1933**

A. directly or indirectly, by use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, in the offer or sale of securities (including, but not limited to, securities of Vector), knowingly or recklessly employing devices, schemes or artifices to defraud, in violation of Section 17(a), of the Securities Act of 1933 [15 U.S.C. 77q(a)];

**Section 17(a)(2) & (3) of the Securities Act of 1933**

B. directly or indirectly, by use of any means or instruments of transportation or

communication in interstate commerce or by the use of the mails, in the offer or sale of securities (including, but not limited to, securities of Vector), (i) obtaining money or property by means of untrue statements of material facts or omissions to state material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading; or (ii) engaging in acts, practices and courses of business which have operated and will operate as a fraud or deceit upon purchasers and prospective purchasers of such securities, in violation of Sections 17(a)(2) & (3) of the Securities Act of 1933 [15 U.S.C. 77(q)(a)(2) & (3)];

**Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5**

C. directly or indirectly, by use of 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 securities (including, but not limited to, securities of Vector), knowingly or recklessly: (i) employing devices, schemes or artifices to defraud; (ii) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (iii) engaging in acts, practices and courses of business which have operated, are now operating or will operate as a fraud upon the purchasers of such securities in violation of Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. 240.10b-5];

**Section 13a of the Securities Exchange Act of 1934  
and Rules 13a-1, 13a-11, 13a-13 and 12b-20 thereunder**

D. directly or indirectly, making materially false or misleading statements or omissions, failing to include required statements or such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which

they are made, not misleading in SEC filings (including, but not limited to, those of Vector) in violation of Section 13(a) of the Exchange Act of 1934 [15 U.S.C. 78m] and Rules 13a-1, 13a-11, 13a-13 and 12b-20 thereunder [17 C.F.R. 240.13a-1, 13a-11, 13a-13, 12b-20];

**Section 13(a) of the Securities Exchange Act of 1934 and Rule 13b2-2**

E. directly or indirectly, filing or causing to be filed with the SEC statements, reports or other filings on behalf of Vector, or any other issuer required to file reports under the federal securities laws, which contain any untrue statement of material fact, or which omit to state any material fact required to be stated therein or necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, or which fail to comply in any material respect with the requirements of Section 13(a) of the Exchange Act of 1934 [15 U.S.C. 78m] and Rule 13b2-2 thereunder [17 C.F.R. 240.13b2-2].

**III.**

**DISGORGEMENT**

**IT IS FURTHER ORDERED, ADJUDGED AND DECREED** that Defendant Weintraub shall disgorge, with prejudgment interest, all ill-gotten profits or proceeds that he received directly or indirectly, as a result of the acts or courses of conduct described in the Complaint. The amount of disgorgement, if any, shall be reached by agreement of the parties within 120 days of the entry of this Judgment or, if the parties are unable to reach agreement, the amount shall be determined by the Court upon the Commission's motion.



**IV.**

**CIVIL PENALTIES**

**IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED** that the amount of civil penalties, if any, that Defendants Weintraub and FST 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 activities described in the Commission's Complaint, shall be determined by agreement of the parties within 120 days of entry of this Judgment or, if the parties are unable to reach an agreement, by the Court upon the Commission's motion. For the purpose of determining the amount of civil penalties, the allegations in the Complaint are deemed true.

**V.**

**ASSET FREEZE AS TO WEINTRAUB**

**IT IS HEREBY FURTHER ORDERED** that pending this Court's determination of amount of the disgorgement sought by the Plaintiff, the asset freeze against Weintraub as set forth in the October 16, 2002 Asset Freeze Order as modified by the Order of Preliminary Injunction dated October 24, 2002, shall remain in full force and effect during the pendency of this action, except that the Asset Freeze order shall be modified so as to permit the following:

**A. Refinancing of the Defendant's Home and Sale of Adjoining Unimproved Parcel**

Defendant Weintraub is the owner, along with his wife and former spouse of a home, in which he resides, located at 690 Massini Ave., Golden Beach, Florida 33160 (the "Home"), which has recently been appraised in connection with a refinancing for \$2,950,000. Pursuant to a

Final Judgment of Dissolution of Marriage entered by the Circuit Court of Dade County, Florida (“Circuit Court”) on June 8, 2001, and subsequent order of June 6, 2002 and August 2, 2002 and a Mediation Agreement dated October 15, 2002, the Defendant Weintraub is seeking to refinance the Home in the approximate amount of \$2,050,000, and to sell the adjoining parcel (“Parcel”) for the approximate sum of \$285,000. The funds from the refinancing will be applied to pay off the first and second mortgages encumbering the Home in the total amount of approximately \$1,800,000.00, and to satisfy the Circuit Court’s ordered obligations consisting of the following:

1. \$350,000 plus interest running at prime from October, 2001 to date less \$16,133.35;
2. \$58,000 in approximate debt owed to the First Union Bank and American Express; and
3. \$53,000 for the former wife’s legal fees.

Following the satisfaction of the foregoing, Weintraub, until further order of this Court, will deposit the balance of the non-earmarked funds from the sale and/or refinancing, estimated to be approximately \$90,000, into the registry of this Court.

**B. The Defendant’s Business Operations**

Defendant Weintraub has considerable Circuit Court ordered, contractual and other recurrent, daily living expenses, including, but not limited to, mortgage payments for the Home and child support. In order to allow for the current payment of these expenses, Defendant Weintraub shall be permitted to operate his business(es) in the ordinary course, which are unrelated to Vector, and receive salaries and other remuneration generated from such business(es) after October 16, 2002, to pay for these obligations.

Weintraub shall provide the SEC with ten (10) days notice in writing with respect to any

extraordinary transfers, sales, set-offs, pledges, assignments, liquidations or other dispositions of assets owned by or controlled by any entities under the direct or indirect control of Weintraub. The SEC within five (5) days of receipt of such notice, may object to the proposed disposition of the assets by filing a motion with the Court.

VI.

**RETENTION OF JURISDICTION**

**IT IS HEREBY FURTHER ORDERED** that this Court shall retain jurisdiction over this matter and FST, Vector and Weintraub 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** at 2:00 o'clock p.m. this 4 day of November, 2002 at Miami, Florida.

  
**URSULA UNGARO-BENAGES**  
**UNITED STATES DISTRICT JUDGE**

Copies to:  
Kerry Zinn, Esq.  
Allen Lerner, Esq.  
Neil Baratz, Esq.