

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF FLORIDA**

CASE NO.: 4:07-CV-529-RH/WCS

SECURITIES AND EXCHANGE COMMISSION,)
)
 Plaintiff,)
)
 v.)
)
 DON WARNER REINHARD,)
)
 Defendant.)
 _____)

**ORDER GRANTING PERMANENT INJUNCTION
AND OTHER RELIEF**

THIS CAUSE comes before the Court upon Plaintiff Securities and Exchange Commission's Motion for Default Judgment Against Defendant Don Warner Reinhard (D.E. 19) and its Memorandum in Support (D.E. 31).

The Commission filed this action against Reinhard on December 13, 2007. (D.E. 1). In its Complaint, the Commission sought, among other things, a permanent injunction to prohibit Reinhard from violating the federal securities laws. The Commission served Reinhard on February 13, 2008. (D.E. 3). On June 12, 2008, the Clerk entered a default against Reinhard for failure to answer the Complaint (D.E. 16).

This Court having jurisdiction over Reinhard and the subject matter hereof, and the Court being fully advised in the premises:

IT IS ORDERED AND ADJUDGED that the Commission's Motion for Default Judgment is **GRANTED** and this Judgment of Permanent Injunction and Other Relief as to Defendant Don Warner Reinhard is entered as follows:

I.

**VIOLATION OF SECTION 10(b) OF THE
SECURITIES EXCHANGE ACT OF 1934 AND RULE 10b-5 THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Reinhard and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently 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.

II.

VIOLATION OF SECTION 17(a) OF THE SECURITIES ACT OF 1933

IT IS FURTHER ORDERED AND ADJUDGED that Reinhard and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined

from violating Section 17(a) of the Securities Act of 1933 (the “Securities Act”) [15 U.S.C. § 77q(a)] 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, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of 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) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

III.

**VIOLATION OF SECTIONS 206(1) AND 206(2)
OF THE INVESTMENT ADVISERS ACT OF 1940**

IT IS FURTHER ORDERED AND ADJUDGED that Reinhard and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (the “Advisers Act”) [15 U.S.C. §§ 80b-6(1) and 80b-6(2)] by using the mails or any means or instrumentality of interstate commerce:

- (1) to employ any device, scheme or artifice to defraud any client or prospective client; or
- (2) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client.

IV.

**AIDING AND ABETTING VIOLATION OF SECTION 206(4)
OF THE ADVISERS ACT AND RULE 206(4)-4(a)(2) THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Reinhard and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-4(a)(2) thereunder [17 C.F.R. §275.206(4)-4(a)(2)] by any investment adviser registered or required to be registered with the Commission for failing to disclose to any client or prospective client all material facts with respect to a legal or disciplinary event that is material to an evaluation of the adviser's integrity or ability to meet contractual commitments to clients.

V.

**AIDING AND ABETTING VIOLATION OF SECTION 204
OF THE ADVISERS ACT AND RULE 204-2(a)(7) THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Reinhard and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 204 of the Advisers Act [15 U.S.C. § 80b-4] and Rule 204-2(a)(7) thereunder [17 C.F.R. §275.204-2(a)(7)] by any investment adviser registered or required to be registered with the Commission for failing to make and keep originals of all written communications received and copies of all written communications sent by such investment adviser relating to:

- (i) any recommendation made or proposed to be made and any advice given or proposed to be given,
- (ii) any receipt, disbursement or delivery of funds or securities, or
- (iii) the placing or execution of any order to purchase or sell any security.

VI.

VIOLATION OF SECTION 207 OF THE ADVISERS ACT

IT IS FURTHER ORDERED AND ADJUDGED that Reinhard and his agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 207 of the Advisers Act [15 U.S.C. § 80b-7] by willfully making any untrue statement of a material fact or omitting to state a material fact in any registration application or report filed with the Commission under Section 203 or 204 of the Advisers Act [15 U.S.C. §§ 80b-3, 80b-4].

VII.

DISGORGEMENT AND CIVIL MONEY PENALTY

IT IS FURTHER ORDERED AND ADJUDGED that Reinhard shall pay disgorgement of ill-gotten gains, prejudgment interest thereon, and a civil penalty pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9]. The amounts of the disgorgement and civil penalty shall be determined by the Court after trial as now set for December 8, 2008.

VIII.

RETENTION OF JURISDICTION

IT IS FURTHER ORDERED AND ADJUDGED that this Court will retain jurisdiction over this matter and Reinhard in order to implement and carry out the terms of this Judgment and 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.

IX.

RULE 54(b) CERTIFICATION

IT IS FURTHER ORDERED AND ADJUDGED that there being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Judgment forthwith.

SO ORDERED on October 3, 2008.

s/Robert L. Hinkle _____
Chief United States District Judge