

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

**CASE NO. 11-60673-CV-DIMITROULEAS/SNOW**

**SECURITIES AND EXCHANGE COMMISSION,** )  
 )  
 **Plaintiff,** )  
 )  
 v. )  
 )  
 **JAMES CLEMENTS AND ZEINA SMIDI,** )  
 )  
 )  
 **Defendants.** )  
 )  
 \_\_\_\_\_ )

**JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF  
AS TO DEFENDANT ZEINA SMIDI**

THIS CAUSE is before the Court upon Plaintiff's Notice of Filing Consent of Defendant Zeina Smidi to Judgment of Permanent Injunction and Other Relief and Request for Entry of Judgment [DE 59], filed February 16, 2012. The Court has carefully considered the Motion and the Consent [DE 59-1] and is otherwise fully advised in the premises.

Plaintiff Securities and Exchange Commission having filed a Complaint seeking a permanent injunction prohibiting Defendant Zeina Smidi from violating the antifraud provisions of the federal securities laws; and Smidi, by her Consent [DE 59-1], having: entered a general appearance; consented to the Court's jurisdiction over her and over the subject matter of this action; consented to entry of this Judgment of Permanent Injunction and Other Relief ("Judgment") without admitting or denying the allegations of the Complaint (except as to subject matter and personal jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment; and the Court accepting such Consent and having

jurisdiction over Smidi and the subject matter of this action:

**I.**

**PERMANENT INJUNCTION AS TO SECTION 10(b) OF THE SECURITIES EXCHANGE ACT OF 1934 AND EXCHANGE ACT RULE 10b-5**

**IT IS ORDERED AND ADJUDGED** that Smidi, her agents, servants, employees, attorneys, representatives, 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 (“Exchange Act”), 15 U.S.C. § 78j(b), and Exchange Act Rule 10b-5 [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.**

**DISGORGEMENT AND CIVIL PENALTY**

**IT IS FURTHER ORDERED AND ADJUDGED** that Smidi shall pay disgorgement of ill-gotten gains, prejudgment interest, and a civil penalty pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]. The Court shall determine the amounts of the

disgorgement and civil penalty upon motion of the Commission. Prejudgment interest shall be calculated from July 27, 2007, based on the rate of interest used by the Internal Revenue Service for the underpayment of federal income tax as set forth in 26 U.S.C. § 6621(a)(2). In connection with the Commission's motion for disgorgement and/or civil penalties, and at any hearing held on such a motion: (a) Smidi will be precluded from arguing that she did not violate the federal securities laws as alleged in the Complaint; (b) Smidi may not challenge the validity of the Consent or this Judgment; (c) solely for the purposes of such motion, the allegations of the Complaint shall be accepted as and deemed true by the Court; and (d) the Court may determine the issues raised in the motion on the basis of affidavits, declarations, excerpts of sworn deposition or investigative testimony, and documentary evidence, without regard to the standards for summary judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. In connection with the Commission's motion for disgorgement and/or civil penalties, the parties may take discovery, including discovery from appropriate non-parties.

**III.**

**INCORPORATION OF SMIDI'S CONSENT**

**IT IS FURTHER ORDERED AND ADJUDGED** that the Consent of Smidi is incorporated herein with the same force and effect as if fully set forth herein, and that Smidi shall comply with all of the undertakings and agreements set forth therein.

**IV.**

**RETENTION OF JURISDICTION**

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

V.

**CERTIFICATION UNDER RULE 54(b)**

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 and without further notice.

In addition, it is **ORDERED AND ADJUDGED** that Plaintiff's Notice of Filing Consent of Defendant Zeina Smidi to Judgment of Permanent Injunction and Other Relief and Request for Entry of Judgment [DE 59] is **GRANTED**.

**DONE AND ORDERED** this 17th day of February , 2011 at Fort Lauderdale, Broward County, Florida.

  
WILLIAM P. DIMITROULEAS  
United States District Judge

Copies to counsel and parties of record