

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
(Miami Division)

CASE NO. 00-4975-CIV-HIGHSMITH/GARBER

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

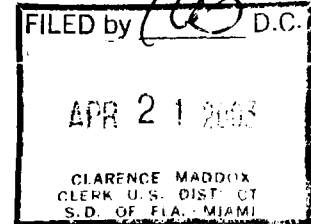
v.

WEB HOSTING HEADQUARTERS PARTNERSHIP,
et al.,

Defendants, and

WEB HOSTING HEADQUARTERS, INC., *et al.*,

Relief Defendants.



**FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER
RELIEF AS TO DEFENDANT KARYN MILLER**

Plaintiff Securities and Exchange Commission (“SEC” or “Commission”) commenced this action by filing its Complaint against, among others, Defendant Karyn Miller (“Defendant”). In its Complaint, the Commission sought a temporary restraining order, and preliminary and permanent injunctions to prohibit violations by the Defendant of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(a)(1) of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 10b-5, thereunder. The Commission also sought other relief against the Defendant in the form of accountings, disgorgement, records preservation, expedited discovery, an order temporarily freezing assets and an order imposing civil penalties.

Defendant, by the Consent affixed hereto, without admitting or denying any of the allegations in the Commission's Complaint or any other paper filed herein, except as to

32-8
90

personal and subject matter jurisdiction, has agreed to the entry of this Final Judgment of Permanent Injunction and Other Relief (“Final Judgment”), waived findings of fact and conclusions of law; and waived any right to appeal from this Final Judgment. This Court having accepted such Consent and this Court having jurisdiction over the 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 Defendant, her officers, agents, servants, employees, representatives, and all persons in active concert or participation with her, and each of them, directly or indirectly, who receive actual notice of this Final 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).

II.

VIOLATION OF SECTION 17(a) OF THE SECURITIES ACT

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, her officers, agents, servants, employees, representatives, and all persons in active concert or participation with her, and each of them, directly or indirectly, who receive actual notice of this Final 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) 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

statement made, in light of the circumstances under which it was 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 FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, her officers, agents, servants, employees, representatives, and all persons in active concert or participation with her, and each of them, directly or indirectly, who receive actual notice of this Final 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 connection with the purchase or sale of any security, by the 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 the 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 FURTHER ORDERED, ADJUDGED AND DECREED that Defendant, her officers, agents, servants, employees, representatives, and all persons in active concert or participation with her, and each of them, directly or indirectly, who receive actual notice of this Final Judgment, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, directly or indirectly, 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 AND A CIVIL PENALTY

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant shall pay disgorgement in the amount of \$154,015, representing the proceeds she received as a result of the conduct alleged in the Complaint, together with pre-judgment interest thereon. Based upon Defendant's sworn representations in her Statement of Financial Condition dated January 14, 2003, and other documents submitted to the

Commission, payment of disgorgement and pre-judgment interest thereon is waived, contingent upon the accuracy and completeness of her Statement of Financial Condition.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that based on Defendant's sworn representations in her Statement of Financial Condition dated January 14, 2003, and other documents submitted to the Commission, the Court is not ordering her to pay a civil penalty. The determination not to impose a penalty and to waive payment of disgorgement and pre-judgment interest thereon is contingent upon the accuracy and completeness of her Statement of Financial Condition.

If at any time following the entry of this Judgment the Commission obtains information indicating that Defendant's representations to the Commission concerning her assets, income, liabilities, or net worth were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made, the Commission may, at its sole discretion and without prior notice to Defendant, petition the Court for an order requiring Defendant to pay the unpaid portion of the disgorgement, pre-judgment interest thereon, and the maximum civil penalty allowable under the law. In connection with any such petition, the only issue shall be whether the financial information provided by Defendant was fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time such representations were made. In its petition, the Commission may move this Court to consider all available remedies, including, but not limited to, ordering Defendant to pay funds or assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment. The Commission may also request additional discovery. Defendant may not, by way of defense to such petition: (1) challenge the validity of the Consent or the Final Judgment; (2) contest the allegations in

the Complaint filed by the Commission; (3) assert that payment of disgorgement, pre-judgment interest and post-judgment interest or a civil penalty should not be ordered; (4) contest the amount of disgorgement and pre-judgment and post-judgment interest; (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert any defense to liability or remedy, including, but not limited to, any statute of limitations defense.

VI.

INCORPORATION OF CONSENT


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

VII.

RETENTION OF JURISDICTION

IT IS FURTHER HEREBY ORDERED that this Court will retain jurisdiction over this matter and the 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 at 2:00 o'clock P.m. this 17 day of April, 2003 at Miami, Florida.


HONORABLE SHELBY HIGHSMITH
UNITED STATES DISTRICT JUDGE

Copies to: All Parties or their Counsel of Record

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
FEDERAL JUSTICE BUILDING
TENTH FLOOR
99 NORTHEAST 4TH STREET
MIAMI, FLORIDA 33132

SHELBY HIGHSMITH
UNITED STATES DISTRICT JUDGE

(305) 523-5170

February 6, 2003

NOTICE TO ATTORNEYS AND LITIGANTS

Please be advised that effective Thursday, February 6, 2003, the Chambers of Judge Highsmith will fully implement and utilize the Court's **FAXBACK** program. The Clerk's Office will fax orders, notices, and judgments to all counsel of record and *pro se* parties who have provided their fax number to the Court. In the event a party does not have a fax machine, the document is sent via U.S. Mail. If you have a fax machine but have not been receiving your orders via facsimile, please complete the enclosed application and return it via fax or U.S. Mail to the Clerk's Office. The Faxback program alleviates the need to submit multiple copies of proposed orders and self-addressed postage paid envelopes. Accordingly, all filings and proposed orders submitted by a party must include a current service list on a separate page with the following information:

Name of Attorney or *Pro se* Party
Law Firm Name
Mailing Address
Telephone Number
Fax number
Counsel for _____

Thank you for your cooperation. For more information, please contact the faxback clerk at (305) 523-5212.