

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

Case No. 01-6369-CIV-LENARD/TURNOFF

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

**FAMILIES ON LINE CORPORATION,
MARK C. THURMAN, and
ROBERT D. FIENE,**

Defendants.

**JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF AS TO
DEFENDANTS FAMILIES ON LINE CORP. AND MARK C. THURMAN**

Plaintiff Securities and Exchange Commission ("SEC" or "Commission") commenced this action by filing its Complaint against, among others, Defendants Families On Line Corporation ("FOL") and Mark C. Thurman ("Thurman") (collectively, "Defendants"). In its Complaint, the Commission sought a permanent injunction to prohibit violations by the Defendants of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ("Securities Act"), Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"), and Rule 10b-5, thereunder. The Commission also sought other relief against the Defendants in the form of an accounting, disgorgement, civil penalties, records preservation, and an order temporarily freezing assets.

On April 9, 2001, this Court entered an Order Adopting the Report and Recommendation, dated March 14, 2001 imposing a preliminary injunction freezing Defendants' assets pending the resolution of this case.

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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.

FRAUD IN VIOLATION OF SECTION 17(a) OF THE SECURITIES ACT

IT IS HEREBY FURTHER 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 of Permanent Injunction, 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 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.

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

IT IS FURTHER 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 of Permanent Injunction, by personal service or otherwise, be and they hereby are, permanently restrained and enjoined from, knowingly and willfully, 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.

DISGORGEMENT

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that Defendants shall disgorge, with prejudgment interest, all ill-gotten profits or proceeds that they received, directly or indirectly, as a result of the acts or courses of conduct described in the Complaint. Defendants FOL and Thurman, and each of them, shall be jointly and severally liable for payment of disgorgement. The dollar amount of disgorgement shall be reached by agreement of the parties or, if the parties are unable to reach agreement, the amount shall be determined by the Court upon the Commission's motion, without evidentiary hearing. Solely for the purposes of such a determination by the Court, the allegations of the Complaint shall be deemed admitted. Defendants shall pay all disgorgement within thirty (30) days after the amount is liquidated or determined by the Court.

V.

PENALTIES

IT IS HEREBY FURTHER ORDERED, ADJUDGED AND DECREED that the amount of civil penalties, if any, that the Defendant 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 the Court upon the Commission's motion without evidentiary hearing; solely for the purposes of this determination, the allegations of the Complaint shall be deemed admitted.

VI.

ASSET FREEZE

IT IS FURTHER HEREBY ORDERED that the asset freeze, in accordance with the terms set forth in the Report and Recommendation (D.E. 19), shall continue in full force and affect to preserve assets that may be used to satisfy all or part of a Final Judgment of Disgorgement and Civil Penalties, which will be entered upon the Commission's motion pursuant to Sections IV. and V. of this Judgment.


VII.

RETENTION OF JURISDICTION

IT IS FURTHER HEREBY ORDERED that this Court will retain jurisdiction over this matter and Defendants 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 9:20 o'clock a.m. this 21 day of June, 2001 at Miami, Florida.


HONORABLE JOAN A. LENARD
UNITED STATES DISTRICT JUDGE

Copies to: All Parties or their Counsel of Record