

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION

CASE NO. 04-80354-CIV-~~MIDDLEBROOKS~~/JOHNSON

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

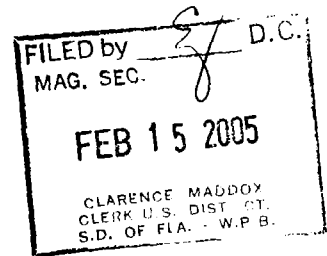
v.

DENNIS CROWLEY, SPEAR & JACKSON, INC.,
INTERNATIONAL MEDIA SOLUTIONS, LLC.,
YOLANDA VELAZQUEZ, and KERMIT SILVA,

Defendants,

HOUNDSTOOTH, LTD., PITTSFIELD RESOURCES LTD.,
NORTHBASE LTD., BELLOW CAPITAL MANAGEMENT, LTD.,
RIVER GROUP HOLDINGS, CORP.,
ROLLING HILLS ENTERPRISES, LTD. a/k/a
ROLLINS HILLS ENTERPRISES LTD.,
ARDEN ENTERPRISES, INC., KIDZ, INC.,
PNC INVESTMENTS, INC., and TRITON ENTERPRISES,

Relief Defendants.



**FINAL JUDGMENT OF PERMANENT INJUNCTION
AND OTHER RELIEF AGAINST YOLANDA VELAZQUEZ**

Plaintiff Securities and Exchange Commission (“Commission”) commenced this action by filing its Complaint against, among others, Defendant Yolanda Velazquez (“Velazquez”). In its Complaint, the Commission sought a temporary restraining order, preliminary and permanent injunctions, an asset freeze, a sworn accounting, a penny stock bar and disgorgement and civil penalties against Velazquez, based on allegations she violated Sections 5(a), 5(c), 17(a) and 17(b) of the Securities Act of 1933 (“Securities Act”), and Sections 10(b) and 15(a) of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 10b-5 thereunder.

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Velazquez, by the attached Consent, without admitting or denying any of the allegations in the Commission's Complaint, except that she acknowledges service of the Complaint on her and admits the jurisdiction of this Court over her and over the subject matter of this action, has agreed to the entry of this Final Judgment of Permanent Injunction and Other Relief Against Yolanda Velazquez ("Final Judgment"). Velazquez has furthermore waived findings of fact and conclusions of law and has waived any right to appeal from this Final Judgment. This Court, having accepted Velazquez's Consent and having jurisdiction over Velazquez and the subject matter of this action, and having considered the record in the case, orders as follows:

I.

PERMANENT INJUNCTION AS TO VELAZQUEZ

IT IS ORDERED AND ADJUDGED that Velazquez, her directors, officers, agents, servants, employees, attorneys, and those persons in active concert or participation with her, and each of them, are restrained and enjoined from:

Section 5 of the Securities Act of 1933

A. Directly or indirectly, (a) making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell securities in the form of units, common stock, warrants or any other securities (including, but not limited to, the investment contracts, promissory notes or limited liability companies), 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 securities; (b) carrying securities, in the form of units, common stock, warrants or any other securities (including, but not limited to, the investment contracts, promissory notes or limited liability companies), or causing them to be carried through the mails or in interstate commerce, by any means or instruments of transportation, for the purpose of sale

or for delivery after sale, unless and until a registration statement is in effect with the Commission as to such securities; 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, through the use or medium of any prospectus or otherwise, any securities, in the form of units, common stock, warrants or any other securities (including, but not limited to, the investment contracts, promissory notes or limited liability companies), unless a registration statement is filed with the Commission as to such securities, 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), provided, however, that nothing in the foregoing portion of this injunction shall apply to any security or transaction which is exempt from the provisions of Section 5 of the Securities Act, 15 U.S.C. § 77e;

Section 17(a)(1) 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, knowingly or recklessly employing devices, schemes or artifices to defraud, in violation of Section 17(a)(1) of the Securities Act, 15 U.S.C. § 77q(a)(1);

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

C. 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, (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, 15 U.S.C. §§ 77q(a)(2) & (3);

Section 17(b) of the Securities Act of 1933

D. Directly or indirectly, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, publishing, giving publicity to, or circulating any notice, circular, advertisement, newspaper, article, letter, investment service, or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof, in violation of Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b);

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

E. 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, 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 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5; and

Section 15(a)(1) of the Securities Exchange Act of 1934

F. Directly or indirectly, by use of any means or instrumentality of interstate commerce or of the mails, engaging in the business of effecting transactions in securities for the accounts of others or inducing or effecting the purchase and sale of securities while not themselves registered with the Commission in accordance with the provisions of Section 15(b) of the Exchange Act, or (in the case of Velazquez) while not associated with a broker-dealer that was so registered, in violation of Section 15(a)(1) of the Exchange Act, 15 U.S.C. § 78j(a)(1).

II.

PENNY STOCK BAR

IT IS FURTHER ORDERED AND ADJUDGED that pursuant to Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d), Velazquez is barred from participating in an offering of a penny stock, including acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of issuing, trading or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Exchange Act [17 C.F.R. § 240.3a51-1].

III.

DISGORGEMENT AND CIVIL PENALTY

IT IS FURTHER ORDERED AND ADJUDGED that Velazquez shall pay disgorgement of \$301,581, representing her ill-gotten gains as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$15,643, and a civil penalty in the amount of \$120,000 pursuant to Section 20(d) of the Securities Act (15 U.S.C. § 77t(d)) and Section 21(d) of the Exchange Act (15 U.S.C. § 78u(d)(3)) (the "Funds"). Velazquez

shall pay the Funds as follows: \$100,000 shall be due and payable within seven days of entry of the Final Judgment; an additional \$100,000 shall be due and payable within six months of entry of the Final Judgment; and the remaining \$237,224 shall be due and payable within one year of entry of the Final Judgment. All payments shall be: (a) made by United States postal money order, certified check, bank cashier's check or bank money order; and (b) made payable to the Registry of the Court of the United States District Court for the Southern District of Florida under cover of a letter that identifies the name and number of this action, with a copy of said cover letter and money order or check to Robert K. Levenson, Esq., Securities and Exchange Commission, 801 Brickell Avenue, Suite 1800, Miami, Florida, 33131. By making these payments, Velazquez relinquishes all legal and equitable right, title, and interest in the Funds, and no part of the Funds shall be returned to her.

The Clerk of the Court shall deposit the Funds into an interest-bearing account with the Court Registry Investment System ("CRIS"). The Funds, together with any interest and income earned thereon, shall be held by the CRIS until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the Funds a fee equal to ten percent of the income earned. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may, after all of the payments have been made, propose a plan to distribute the Funds subject to the Court's approval.

If Velazquez fails to make any single payment, or part of any single payment, of the Funds within the precise time specified for such payment, the installment payment terms of this Final Judgment shall no longer apply, and the full amount of Velazquez's remaining unpaid disgorgement, prejudgment interest, and civil penalty shall be immediately due, owing and

payable, plus post-judgment interest on such remaining unpaid amount calculated at the rate of interest set forth in Rule 600(b) of the Commission's Rules of Practice, 17 C.F.R. § 201.600(b), from the date of entry of the Final Judgment until such amount is paid in full.

The Commission may by motion propose a plan to distribute the Funds subject to the Court's approval. Such a plan may provide that the Funds shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, the \$120,000 ordered to be paid as a civil penalty pursuant to this Final Judgment shall be treated as a penalty paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Velazquez shall not, after offset or reduction in any Related Investor Action based on Velazquez's payment of disgorgement in this action, further benefit by offset or reduction of any part of her payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Velazquez shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Final Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Velazquez by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

IV.

INCORPORATION OF CONSENT

IT IS FURTHER ORDERED AND ADJUDGED that Velazquez shall comply with the provisions of the Consent, and that the Consent is incorporated by reference into this Final Judgment as if fully set forth herein.

V.

RETENTION OF JURISDICTION

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

VI.

RULE 54(b) CERTIFICATION

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 Final Judgment forthwith and without further notice.

DONE AND ORDERED in Chambers in West Palm Beach, Florida, this 15 day of Feb, 2005.



LINNEA R. JOHNSON
UNITED STATES MAGISTRATE JUDGE

Copies: Counsel of Record

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, 15 U.S.C. §§ 77q(a)(2) & (3);

Section 17(b) of the Securities Act of 1933

D. Directly or indirectly, by the use of any means or instruments of transportation or communication in interstate commerce or by the use of the mails, publishing, giving publicity to, or circulating any notice, circular, advertisement, newspaper, article, letter, investment service, or communication which, though not purporting to offer a security for sale, describes such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof, in violation of Section 17(b) of the Securities Act, 15 U.S.C. § 77q(b);

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

E. 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, 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 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5, 17 C.F.R. § 240.10b-5; and