Case 3:06-cv-01164-D

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UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF TEXAS **DALLAS DIVISION**

U.S. DISTRICT COURT NORTHERN DISTRICT OF TEXAS FILED JUL - 5 2006 DISTRICT COURT

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

Marvin Winick, Luigi Brun, and Tekron, Inc.,

Defendants.

Case No.

306 - CV1164 - D

FINAL JUDGMENT AS TO DEFENDANT MARVIN WINICK

Plaintiff Securities and Exchange Commission filed its Complaint against Defendant Marvin Winick seeking a permanent injunction, an officer and director bar, disgorgement in the amount of \$30,985, plus prejudgment interest, further equitable relief in the form of the surrender of 50,000 shares of Information Architects Corporation ("IA") and a civil penalty of \$100,000 for his violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rules 10b-5 and 13b2-1 thereunder, and for his aiding and abetting violations by Tekron, Inc, ("Tekron"), IA, and Greentech USA, Inc. ("Greentech") of Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act, and Rules 12b-20, 13a-1 and 13a-13 thereunder.

Defendant Marvin Winick entered a general appearance through his Consent, attached to this Final Judgment, admitting the Court's jurisdiction over the subject and parties. Without admitting or denying the Commission's non-jurisdictional allegations, Defendant Marvin Winick consented to the entry of this Final Judgment, waived findings of fact and conclusions of law, and waived any right to appeal from this Final Judgment:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Marvin Winick and Defendant Marvin Winick's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating Section 17(a) of 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.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Marvin Winick and Defendant Marvin Winick's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rules 10b-5 and 13b2-1 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.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Marvin Winick and Defendant Marvin Winick's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-13, and 12b-20 promulgated thereunder [17 C.F.R. §§ 240.13a-1, 240.13a-13, and 240.12b-20], by knowingly providing substantial assistance to any issuer that:

(a) files with the Commission any annual or quarterly report required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act [15 U.S.C. §78m(a)] and Rules 13a-1 and 13a-13 promulgated thereunder [17 C.F.R. §§ 240.13a-1, 240.13a-13], which contains any untrue statement of material fact, which omits to state any material fact necessary in order to make the statements made, in the light of the circumstances

- under which such statements were made, not misleading, or which omits to disclose any information required to be disclosed; or
- (b) fails to add such further material information to any annual or quarterly report filed on behalf of any issuer, as may be necessary, to make the required statements, in the light of the circumstances under which such statements are made, not misleading.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Marvin Winick and Defendant Marvin Winick's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(a)] by knowingly providing substantial assistance to an issuer that fails to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

٧.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Marvin Winick and Defendant Marvin Winick's agents, servants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise are permanently restrained and enjoined from aiding and abetting any violation of Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(a)] by knowingly providing substantial assistance to an issuer that fails to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:

- (a) transactions are executed in accordance with management's general or specific authorization;
- (b) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability for assets;
- (c) access to assets is permitted only in accordance with management's general or specific authorization; and
- (d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Defendant Marvin Winick is prohibited from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or that is required to file reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C. § 78o(d)].

VII.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Marvin Winick pay disgorgement in the amounts and manner as follows: payment, pursuant to the schedule set forth below in Paragraph IX, of \$30,985, plus prejudgment interest thereon in the amount of \$4,117.39, by U.S. Postal money order, certified check, bank cashier's check, or bank money order, made payable to the Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312, under cover of a letter that identifies

Defendant Marvin Winick, the name and case number of this action, the name of this Court, and the Commission's case number (FW-2904). A copy of the cover letter and of the form of payment shall be simultaneously transmitted to counsel for the Commission;

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Marvin Winick forfeit 50,000 shares of IA stock, by directing, in writing and within 14 days from the entry of this Judgment, IA's transfer agent to cancel 50,000 currently outstanding IA shares held in the name of, controlled by, or held for the benefit of Marvin Winick. The directive to the transfer agent shall include an adequate identification of the shares to be cancelled and a copy of this Final Judgment. A copy of the directive shall be promptly provided to counsel for the Commission.

By making payment and providing the direction set out above, Defendant relinquishes all legal and equitable right, title, and interest in such funds and shares, and no part of the funds or shares shall be returned to Defendant. The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS"). These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held by the CRIS until further order of the Court. In accordance with 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 money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States. The Commission may propose a plan to distribute the Fund subject to the Court's approval. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall pay a

civil penalty in the amount of \$100,000 pursuant to Section 20(d) of the Securities Act [15 U.S.C. §77t(d)] and Section 21(d) of the Exchange Act of 1934 [15 U.S.C. §78u(d)]. Defendant shall make this payment pursuant to the terms of the payment schedule set forth in paragraph IX below after entry of this Final Judgment by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying Marvin Winick as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

IX.

Marvin Winick shall pay \$135,062.39 according the following schedule: \$9,985.00 within 10 days of the entry of the Final Judgment; \$31,269.34, plus post-judgment interest at the statutory rate pursuant to 28 U.S.C. § 1961, within three months of the entry of the Final Judgment; \$31,269.34, plus post-judgment interest at the statutory rate pursuant to 28 U.S.C. § 1961, within six months of entry of the Final Judgment; \$31,269.34, plus post-judgment interest at the statutory rate pursuant to 28 U.S.C. § 1961, within nine months of entry of the Final Judgment; \$31,269.34, plus post-judgment interest at the statutory rate pursuant to 28 U.S.C. § 1961, within nine months of entry of the Final Judgment; \$31,269.34, plus post-judgment interest at the statutory rate pursuant to 28 U.S.C. § 1961, within twelve months of entry of the Final Judgment. If Defendant Marvin Winick fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Final Judgment, including post-judgment

interest, minus any payments made, shall become due and payable immediately without further application to the Court.

X.

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

XI.

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

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED 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 Final Judgment immediately and without further notice.

Dated: July 5 , 2006

UNITED STATES DISTRICT JUDGE

Approved as to form and entry requested:

WILLIAM YARNO

Attorney for the Defendant

Marvin Winick

William Yarno Law Offices, Ltd.

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Lafayette houisiana 70506

MARSHALL GANDY

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