

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
CASE NO. 08-61517-CIV-GOLD/McALILEY

SECURITIES AND EXCHANGE)
COMMISSION,)
)
Plaintiff,)
v.)
)
VIDEO WITHOUT BOUNDARIES, INC.,)
d/b/a CHINA LOGISTICS GROUP, INC.,)
VERNON JEFFREY HARRELL, and)
DAVID J. AUBEL,)
)
Defendants.)

**JUDGMENT OF PERMANENT INJUNCTION AND
OTHER RELIEF AS TO DEFENDANT JEFFREY HARRELL**

The Securities and Exchange Commission having filed a complaint, and Defendant Jeffrey Harrell having: entered a general appearance; consented to the Court's jurisdiction over him and the subject matter of this action; consented to entry of this Judgment without admitting or denying the allegations of the complaint (except as to personal and subject matter jurisdiction); waived findings of fact and conclusions of law; and waived any right to appeal from this Judgment:

I.

SECTIONS 5(a) AND 5(c) OF THE SECURITIES ACT OF 1933

IT IS ORDERED AND ADJUDGED that Harrell and his agents, servants, employees, attorneys, 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 Sections 5(a) and (c) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77e(a) and (c), by, directly or indirectly, in the absence of

any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce or of the mails to sell such security through the use or medium of any prospectus or otherwise;
- (b) Unless a registration statement is in effect as to a security, carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any such security for the purpose of sale or for delivery after sale; 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 security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement 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.

II.

**SECTION 10(b) OF THE SECURITIES
EXCHANGE ACT OF 1934 AND RULE 10b-5 THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Harrell and his agents, servants, employees, attorneys, 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 Rule 10b-5 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 with operates or would operate as a fraud or deceit upon any person.

III.

**SECTION 13(b)(5) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND RULE 13b2-1THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Harrell and his agents, servants, employees, attorneys, 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 13(b)(5) of the Exchange Act, 15 U.S.C. § 78m(b)(5), and Rule 13b2-1 thereunder, 17 C.F.R. § 240.13b2-1; by knowingly circumventing or failing to implement a system of internal accounting controls or falsifying or causing the falsification of any book, record, or account subject to Section 13(b)(2) of the Exchange Act, 15 U.S.C. §78m(b)(2).

IV.

RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934

IT IS FURTHER ORDERED AND ADJUDGED that Harrell and his agents, servants, employees, attorneys, 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, Rule 13a-14 of the Exchange Act, 17 C.F.R. §§ 240.13a-14, by failing to sign and file accurate certifications that he had reviewed the issuer's annual and quarterly reports and that based on his knowledge, the report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the reports.

V.

SECTIONS 13(d) AND 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULES 13d-1, 13d-2, AND 16a-3 THEREUNDER

IT IS FURTHER ORDERED AND ADJUDGED that Harrell and its agents, servants, employees, attorneys, 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, Sections 13(d) and 16(a) of the Exchange Act, 15 U.S.C. §§ 78m(d) and 78p(a), and Rules 13d-1, 13d-2, and 16a-3 thereunder, 17 C.F.R. §§ 240.13d-1, 240.13d-2, and 240.16a-3, by failing to file reports with the Commission that accurately and fairly reflect his beneficial ownership

of any equity security of a class which is registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] and any changes in such beneficial ownership.

VI.

**SECTION 13(a) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND RULES 12b-20, 13a-1, and 13a-13 THEREUNDER**

IT IS FURTHER ORDERED AND ADJUDGED that Harrell and his agents, servants, employees, attorneys, 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 aiding and abetting any violation of Section 13(a) of the Exchange Act, 15 U.S.C. §78m(a), and Rules 12b-20, 13a-1, and 13a-13 thereunder, 17 C.F.R. §§240.12b-20, 240.13a-1, and 240.13a-13, by knowingly providing substantial assistance to an issuer that files or causes to be filed with the Commission any annual or quarterly report on behalf of an issuer required to be filed with the Commission pursuant to Section 13(a) of the Exchange Act, 15 U.S.C. §78m(a), and the rules and regulations promulgated thereunder, which misstates any material facts or omits material information necessary to make the information in such report true and correct.

VII.

**SECTIONS 13(b)(2)(A) OF
THE SECURITIES EXCHANGE ACT OF 1934**

IT IS FURTHER ORDERED AND ADJUDGED that Harrell and his agents, servants, employees, attorneys, 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 aiding and abetting any violation of Section

13(b)(2)(A) of the Exchange Act, 15 U.S.C. §78m(b)(2)(A), by knowingly providing substantial assistance to an issuer that fails to make and keep accurate books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the issuer.

VIII.

**SECTIONS 13(b)(2)(B) OF
THE SECURITIES EXCHANGE ACT OF 1934**

IT IS FURTHER ORDERED AND ADJUDGED that Harrell and his agents, servants, employees, attorneys, 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 aiding and abetting any violation of Section 13(b)(2)(B) of the Exchange Act, 15 U.S.C. § 78m(b)(2)(A), by knowingly providing substantial assistance to any issuer that fails to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: transactions are executed in accordance with management's general or specific authorization; transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principals or any other criteria applicable to such statements, and to maintain accountability for assets; access to assets is permitted only in accordance with management's general or specific authorization; and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

IX.

OFFICER AND DIRECTOR BAR

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to Section 21(d)(2) of the Exchange Act [15 U.S.C. § 78u(d)(2)], Harrell 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)].

X.

PENNY STOCK BAR

IT IS FURTHER ORDERED AND ADJUDGED that Harrell is permanently barred from participating in an offering of penny stock, including engaging 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].

XI.

CIVIL PENALTY

IT IS FURTHER ORDERED AND ADJUDGED that Harrell shall pay a civil penalty 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)]. The Court shall determine the amount of the civil penalty upon motion of the Commission. In connection with the Commission's motion for a civil penalty and at any hearing held on such a motion: (a) Harrell will be precluded from arguing that he did not violate the federal securities laws as alleged in the complaint; (b) Harrell 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 a civil penalty, the parties may take discovery, including discovery from appropriate non-parties.

XII.

INCORPORATION OF CONSENT

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

XIII.

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.

DONE and ORDERED in Chambers in Miami, Florida this 3 day of March, 2009.



THE HONORABLE ALAN S. GOLD
UNITED STATES DISTRICT JUDGE

cc:
All counsel of record
U.S. Magistrate Judge Chris M. McAliley