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9 UNITED STATES DISTRICT COURT  
10 NORTHERN DISTRICT OF CALIFORNIA  
11 OAKLAND DIVISION

12 SECURITIES AND EXCHANGE COMMISSION,

Case No. 4:06-cv-06003 CW

13 Plaintiff,

14 vs.

~~PROPOSED~~ ORDER **AS MODIFIED**  
TO ESTABLISH A FAIR FUND,  
APPOINT A TAX ADMINISTRATOR,  
APPROVE A DISTRIBUTION PLAN

15 THE CHILDREN’S INTERNET, INC., NASSER  
16 V. HAMEDANI, SHOLEH A. HAMEDANI,  
17 PETER A. PEREZ, CORT L. POYNER, and TWO  
DOG NET, INC.

18 Defendants.

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20 The court having reviewed the Securities and Exchange Commission’s (the “Commission” or  
21 “SEC”) Motion and Memorandum to Establish a Fair Fund, Appoint a Tax Administrator, and  
22 Approve a Distribution Plan, and having reviewed Exhibit A, the Distribution Plan, and for good  
23 cause shown, it is hereby ORDERED that:

24 1. The Motion is GRANTED.

25 2. A Fair Fund is established pursuant to Section 308(a) of the Sarbanes-Oxley Act of  
26 2002, as amended by the Dodd-Frank Act of 2010 [15 U.S.C. § 7246(a)], from the funds paid by  
27 defendants pursuant to the Final Judgments in the case name designation “SEC v. The Children’s  
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1 Internet, Inc., Nasser V. Hamedani, Sholeh A. Hamedani, Peter A. Perez, Cort L. Poyner, and Two  
2 Dog Net, Inc.” plus interest earned on those funds. (the “Fund”).

3 3. Miller Kaplan & Arase LLP (“Miller Kaplan”) is appointed as Tax Administrator to  
4 execute all income tax reporting requirements, including the preparation and filing of tax returns,  
5 with respect to funds under this Court’s jurisdiction in this case.

6 4. Miller Kaplan shall be designated the Tax Administrator of the Fund, pursuant to  
7 Section 468B(g) of the Internal Revenue Code (IRC), 26 U.S.C. § 468B(g), and related regulations  
8 and shall satisfy the administrative requirements imposed by those regulations, including but not  
9 limited to (a) obtaining a taxpayer identification number, (b) filing applicable federal, state, and  
10 local tax returns and paying taxes reported thereon out of the Fair Fund, and (c) satisfying any  
11 information reporting, or withholding requirements imposed on distributions from the Fair Fund.  
12 The Tax Administrator shall contemporaneously provide copies of all such filings to the  
13 Commission’s counsel of record.

14 5. The Tax Administrator shall, at such times as the Tax Administrator deems necessary  
15 to fulfill the tax obligations of the Fair Fund, request that the Commission’s counsel of record file  
16 with the Court a motion, supported by the Tax Administrator’s declaration of the amount of taxes  
17 due, to transfer funds from the Fund to pay any tax obligations of the Fund.

18 6. The Tax Administrator shall be entitled to charge reasonable fees for tax compliance  
19 services and related expenses in accordance with its agreement with the Commission. The Tax  
20 Administrator shall, at such times as the Tax Administrator deems appropriate, submit a declaration  
21 of fees and expenses to the Commission’s counsel of record for submission to the Court for approval  
22 and for payment from the Fund. No fees or expenses may be paid absent the Court’s prior approval.

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2           7. The Distribution Plan is **fair and reasonable and** approved in its entirety. The  
3 Distribution Plan shall govern the administration and distribution of the Fair Fund.

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5 IT IS SO ORDERED.

6 DATED: January 22, 2024



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7 CLAUDIA WILKEN, Judge  
8 United States District Court  
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