

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOT FOR CITATION

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

DAVID CHANG,

Defendant.

NO. C-01-21071-JW

JUDGMENT

The Court held a bench trial in the above-entitled action and issued Findings of Fact and Conclusions of Law. Based upon the evidence, arguments and briefings of the parties, now, therefore, it is

I.

ORDERED, ADJUDGED AND DECREED that Defendant DAVID CHANG is liable for violations of Section 10(b) of the Securities and Exchange Act of 1934(the "Exchange Act"), 15 U.S.C. 78j(b), and Rule 10b-5, 17 C.F.R. 240.10b5, promulgated thereunder in accordance with the Court's Findings of Fact and Conclusions of Law.

II.

1 ORDERED, ADJUDGED AND DECREED that Plaintiff Securities and Exchange
2 Commission shall have judgment against Defendant DAVID CHANG in accordance with the
3 Court's Findings of Fact and Conclusions of Law.

4 III.

5 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant DAVID
6 CHANG, and all persons in active concert or participation with him who receive actual notice of this
7 Final Judgment by personal service or otherwise, including his agents, servants, employees,
8 attorneys, successors and assigns, and each of them, are permanently restrained and enjoined from,
9 directly or indirectly, by use of any means or instrument of interstate commerce, or of the mails, or of
10 any facility of any national securities exchange, in connection with the purchase or sale of any
11 security: (1) employing any device, scheme or artifice to defraud; (2) making any untrue statement
12 of a material fact or omitting to state a material fact necessary in order to make the statements made,
13 in light of the circumstances under which they were made, not misleading; or (3) engaging in any act,
14 practice or course of business which operates or would operate as a fraud or deceit upon any person,
15 in violation of Section 10(b) and Rule 10b-5.

16 IV.

17 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant DAVID
18 CHANG is liable to pay (1) disgorgement in the amount of \$66,000 (which amount represents the
19 illegal profits that DAVID CHANG obtained from his violations of the federal securities laws as
20 alleged in the Commission's Complaint), plus (2) prejudgment interest at a rate of interest equal to
21 that charged by the Internal Revenue Service pursuant to 26 U.S.C. § 1961. Defendant DAVID
22 CHANG shall pay the above amounts of disgorgement and prejudgment interest on or before thirty
23 days following the date of entry of this Final Judgment.

24 V.

25 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Defendant DAVID
26 CHANG shall pay a civil penalty in the amount of \$50,000 pursuant to Section 21(d)(3) of the
27

1 Exchange Act [15 U.S.C. § 78u(d)(3)]. Defendant DAVID CHANG shall pay this civil penalty on
2 or before thirty days of the date of entry of this Final Judgment.

3

4 DATED: November 12, 2003

5 01cv21071judg


JAMES WARE
United States District Judge

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1 This is to certify that copies of this order have been mailed to:

2 Helane L. Morrison
3 Susan Lamarca
4 SEC
44 Montgomery Street
San Francisco, CA 94104

5 William S. Farmer
6 Collete & Ericson
Bank of America Center -43rd Fl.
7 555 California Street
San Francisco, CA 94104

8

9

10 dated: 11/13/03

CLERK OF COURT

11

By: 
Ronald L. Davis
Deputy Clerk

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28