

1 MICHAEL S. DICKE (Cal. Bar No. 158187)
2 ROBERT L. TASHJIAN (Cal. Bar No. 191007)
3 tashjianr@sec.gov
4 ELENA RO (Cal. Bar No. 197308)
5 roe@sec.gov

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Attorneys for Plaintiff
SECURITIES AND EXCHANGE
COMMISSION
44 Montgomery Street, Suite 2600
San Francisco, California 94104
Telephone: (415) 705-2500
Facsimile: (415) 705-2501

DOES NOT PRACTICE
IN THIS COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,
vs.
STEPHEN C. BOND,
Defendant.

Case No. 10-cv-1358 RMW

[] FINAL JUDGMENT

The Securities and Exchange Commission having filed a Complaint and Defendant Stephen C. Bond having entered a general appearance; consented to the Court's jurisdiction over Defendant and the subject matter of this action; consented to entry of this Final Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction); 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 and Defendant'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

1 or otherwise are permanently restrained and enjoined from violating, directly or indirectly,
2 Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5
3 promulgated thereunder [17 C.F.R. § 240.10b-5], by using any means or instrumentality of
4 interstate commerce, or of the mails, or of any facility of any national securities exchange, in
5 connection with the purchase or sale of any security:

6 (a) to employ any device, scheme, or artifice to defraud;
7 (b) to make any untrue statement of a material fact or to omit to state a material
8 fact necessary in order to make the statements made, in the light of the circumstances under
9 which they were made, not misleading; or
10 (c) to engage in any act, practice, or course of business which operates or would
11 operate as a fraud or deceit upon any person.

12 II.

13 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant and Defendant's agents, servants, employees, attorneys, and all persons in active
15 concert or participation with them who receive actual notice of this Judgment by personal
16 service or otherwise are permanently restrained and enjoined from aiding and abetting any
17 violation of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 ("Advisers Act")
18 [15 U.S.C. §§ 80b-6(1) and 80b-6(2)], by knowingly providing substantial assistance to an
19 investment adviser, as defined by Section 202(a)(11) of the Advisers Act [15 U.S.C.
20 § 80b-2(a)(11)], by use of the mails or any means or instrumentality of interstate commerce,
21 directly or indirectly:

22 (a) to employ any device, scheme, or artifice to defraud any client or prospective
23 client; or
24 (b) to engage in any transaction, practice, or course of business which operates or
25 would operate as a fraud or deceit upon any client or prospective client.

26 III.

27 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that
28 Defendant and Defendant's 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 206(4) of the Advisers Act [15 U.S.C. § 80b-6(4)] and Rule 206(4)-8 promulgated thereunder [17 C.F.R. § 275.206(4)-8], by knowingly providing substantial assistance to an investment adviser to a pooled investment vehicle, as defined by Rule 206(4)-8(b) promulgated under the Advisers Act [17 C.F.R. § 275.206(4)-8(b)] by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly:

(a) to make any untrue statement of a material fact or to omit to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle; or

(b) otherwise to engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to any investor or prospective investor in the pooled investment vehicle.

IV.

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$855,742, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$318,670, for a total of \$1,174,412. Based on Defendant's sworn representations in his Statement of Financial Condition dated July 15, 2012, as re-affirmed by affidavit dated April 26, 2013, and other documents and information submitted to the Commission, however, the Court is not ordering Defendant to pay a civil penalty and payment of all but \$60,000 of the disgorgement and prejudgment interest thereon is waived.

Defendant may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC Web site at <http://www.sec.gov/about/offices/ofm.htm>. Defendant may also pay by certified check, bank

1 || cashier's check, or United States postal money order payable to the Securities and Exchange
2 || Commission, which shall be delivered or mailed to—

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

7 and shall be accompanied by a letter identifying the case title, civil action number, and name
8 of this Court; identifying Stephen C. Bond as a defendant in this action; and specifying that
9 payment is made pursuant to this Final Judgment.

10 Defendant shall simultaneously transmit photocopies of evidence of payment and case
11 identifying information to the Commission's counsel in this action. By making this payment,
12 Defendant relinquishes all legal and equitable right, title, and interest in such funds and no
13 part of the funds shall be returned to Defendant. The Commission shall send the funds paid
14 pursuant to this Final Judgment to the United States Treasury.

15 The Commission may enforce the Court's judgment for disgorgement and
16 prejudgment interest by moving for civil contempt (and/or through other collection
17 procedures authorized by law) at any time after 14 days following entry of this Final
18 Judgment. Defendant shall pay post judgment interest on any delinquent amounts pursuant to
19 28 U.S.C. § 1961.

20 The determination not to impose a civil penalty and to waive payment of all but
21 \$60,000 of the disgorgement and prejudgment interest is contingent upon the accuracy and
22 completeness of Defendant's Statement of Financial Condition. If at any time following the
23 entry of this Final Judgment the Commission obtains information indicating that Defendant's
24 representations to the Commission concerning his assets, income, liabilities, or net worth
25 were fraudulent, misleading, inaccurate, or incomplete in any material respect as of the time
26 such representations were made, the Commission may, at its sole discretion and without prior
27 notice to Defendant, petition the Court for an order requiring Defendant to pay the unpaid
28 portion of the disgorgement, prejudgment and post-judgment interest thereon, and the

1 maximum civil penalty allowable under the law. In connection with any such petition, the
 2 only issue shall be whether the financial information provided by Defendant was fraudulent,
 3 misleading, inaccurate, or incomplete in any material respect as of the time such
 4 representations were made. In its petition, the Commission may move this Court to consider
 5 all available remedies, including, but not limited to, ordering Defendant to pay funds or
 6 assets, directing the forfeiture of any assets, or sanctions for contempt of this Final Judgment.
 7 The Commission may also request additional discovery. Defendant may not, by way of
 8 defense to such petition: (1) challenge the validity of the Consent or this Final Judgment; (2)
 9 contest the allegations in the Complaint filed by the Commission; (3) assert that payment of
 10 disgorgement, prejudgment and post-judgment interest or a civil penalty should not be
 11 ordered; (4) contest the amount of disgorgement and prejudgment and post-judgment interest;
 12 (5) contest the imposition of the maximum civil penalty allowable under the law; or (6) assert
 13 any defense to liability or remedy, including, but not limited to, any statute of limitations
 14 defense. Defendant shall also pay post-judgment interest on any delinquent amounts pursuant
 15 to 28 U.S.C. § 1961.

16 V.

17 Defendant shall pay the total of disgorgement and prejudgment interest due of \$60,000
 18 in five installments to the Commission according to the following schedule: (1) \$25,000
 19 within 10 days of entry of this Final Judgment; (2) \$10,000 within nine months of entry of
 20 final judgment; (3) \$10,000 within 18 months of entry of final judgment; (4) \$10,000 within
 21 27 months of entry of final judgment; and (5) \$5,000 within 36 months of entry of final
 22 judgment. Payments shall be deemed made on the date they are received by the Commission
 23 and shall be applied first to post judgment interest, which accrues pursuant to 28 U.S.C.
 24 § 1961 on any unpaid amounts due after 14 days of the entry of Final Judgment. Prior to
 25 making the final payment set forth herein, Defendant shall contact the staff of the
 26 Commission for the amount due for the final payment.

27 If Defendant fails to make any payment by the date agreed and/or in the amount
 28 agreed according to the schedule set forth above, all outstanding payments under this Final

1 Judgment, including post-judgment interest, minus any payments made, shall become due and
2 payable immediately at the discretion of the staff of the Commission without further
3 application to the Court.

4 VI.

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

8 VII.

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

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Dated: 1 SEPTEMBER, 2013



UNITED STATES DISTRICT JUDGE

Approved as to form:

/s/ Gail Shifman

GAIL SHIFMAN

LAW OFFICES OF GAIL SHIFMAN

601 California Street, Suite 1800

San Francisco, CA 94108

Telephone: (415) 551-1500

Facsimile: (415) 551-1502

Cal. Bar. No. 147334

Attorneys for Defendant

STEPHEN C. BOND