

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff/Judgment Creditor,

vs.

CHARLES C. CONAWAY,

Defendant.

Case No. 2:05-cv-40263-RHC

AMENDED FINAL JUDGMENT

The Securities and Exchange Commission having filed a Complaint and Defendant, Charles C. Conway, having entered his appearance, consented to the Court's jurisdiction over Defendant and the subject matter of this action, and undergone a trial at which the jury found that Defendant violated Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5], and that he aided and abetted Kmart Corporation in its violations of Section 10(b) of the Exchange Act and Rule 10b-5, and that he aided and abetted Kmart Corporation in its violations of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Rules 12b-20 and 13a-13 [17 C.F.R. §§ 240.12b-20 and 240.13a-13], and Defendant having appealed such judgment, and Defendant having consented to the entry of this Amended Final Judgment, the Court hereby enters this Amended Final Judgment as follows:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant is liable for disgorgement of \$3 million (\$3,000,000), which represents part of his retention loan paid to him

as wages by Kmart as reported on a Form W-2 issued by Kmart to Defendant in 2003, and a civil penalty of \$2.5 million (\$2,500,000) pursuant to Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)].

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant shall satisfy this obligation by paying the disgorgement and penalty totaling \$5.5 million (\$5,500,000) within fourteen (14) days after the entry of this Amended Final Judgment by certified check or bank cashier's check payable to the Securities and Exchange Commission. The payment shall be delivered or mailed to:

Office of Financial Management
Securities and Exchange Commission, Operations Center
6432 General Green Way
Mail Stop 0-3
Alexandria, Virginia 22312

The payment shall be accompanied by a letter identifying Charles C. Conaway 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 Amended Final Judgment. The payment shall be accompanied by a declaration from the Defendant, made pursuant to 28 U.S.C. § 1746, that he has not received and will not seek any payment, reimbursement, or indemnification from any third party for any portion of the civil penalty. A copy of the payment and accompanying declaration shall be mailed to Marsha C. Massey, Securities and Exchange Commission, 100 F Street, NE, Mail Stop 6030, Washington, DC 20549-6030. Defendant shall pay post-judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961. The Commission shall remit the funds paid pursuant to this paragraph to the United States Treasury.

III.

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 Amended Final Judgment.

SO ORDERED.

Dated: 15 Nov. 2010
Detroit, Michigan



ROBERT H. CLELAND
UNITED STATES DISTRICT JUDGE