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**United States District Court**  
For the Northern District of California

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

SECURITIES AND EXCHANGE  
COMMISSION,

No. C 01-03355 CRB

**JUDGMENT**

Plaintiff,

v.

WILLIAM GRABSKE,

Defendant.

\_\_\_\_\_ /  
The Court having granted plaintiff's motion for summary judgment by Order dated November 25, 2002, it is hereby ordered that judgment be entered in favor of plaintiff and against defendant William Grabske as follows:

1. Mr. Grabske is permanently enjoined and restrained from, directly or indirectly, violating Section 10(b) of the Securities and Exchange Act ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by:

- A. employing any device, scheme, or artifice to defraud;
- B. making any untrue statement of material fact or omitting 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. engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person,

1 in connection with the purchase or sale of the securities of any issuer, by the use of any means or  
2 instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange.

3 2. Mr. Grabske is permanently enjoined and restrained from, directly or indirectly, filing, with  
4 respect to any issuer of a security registered pursuant to Section 12 of the Exchange Act or which is  
5 required to file reports pursuant to Section 15(d) of the Exchange Act, any annual report on Form 10-K,  
6 any current report of Form 8-K, any quarterly report on Form 10-Q, or any other report required to be  
7 filed with the Commission pursuant to the Exchange Act or rules or regulations under that Act, that contains  
8 any untrue statement of material fact or omits to state any material fact required to be stated or necessary in  
9 order to make the statements made, in the light of the circumstances under which they were made, not  
10 misleading, in violation of Section 13(a) of the Exchange Act [15 U.S.C. § 78m(a) and Exchange Act Rules  
11 12b-20 and 13a-13 [17 C.F.R. §§ 240.12b-20, and 240.13a-13].

12 3. Mr. Grabske is permanently enjoined and restrained from, directly or indirectly, violating  
13 Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by causing any issuer which has a  
14 class of securities registered pursuant to Section 12 of the Exchange Act [15 U.S.C. § 78l] or Section  
15 15(d) of the Exchange Act [15 U.S.C. § 78o] to fail to make or keep books, records or accounts, which,  
16 in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

17 4. Mr. Grabske is permanently enjoined and restrained from violating Section 13(b)(5) of the  
18 Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing or failing to implement a system of  
19 internal accounting controls or knowingly falsifying any book, record, or account described in Section  
20 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

21 5. Mr. Grabske is permanently enjoined and restrained from, directly or indirectly, violating  
22 Section 13b2-1 under the Exchange Act [17 C.F.R. § 140.13b2-1] by falsifying or causing to be falsified  
23 any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act [15 U.S.C.  
24 § 78m(b)(2)(A)].

25 6. Mr. Grabske is permanently enjoined and restrained from, directly or indirectly, violating  
26 Section 13(b)(2)(B) of the Exchange Act [15 U.S.C. § 78m(b)(2)(B)] by failing to devise and maintain a  
27 system of sufficient internal accounting controls.  
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