

1  
2 HELANE L. MORRISON (State Bar No. 127752)  
3 JAMES A. HOWELL (State Bar No. 92721)  
4 ROBERT L. MITCHELL (State Bar No. 161354)  
5 MICHAEL S. DICKE (State Bar No. 158187)  
6 JUDITH L. ANDERSON (State Bar No. 124281)

7 Attorneys for Plaintiff  
8 SECURITIES AND EXCHANGE COMMISSION  
9 44 Montgomery Street, Suite 1100  
10 San Francisco, California 94104  
11 Telephone: (415) 705-2500

12 UNITED STATES DISTRICT COURT  
13 NORTHERN DISTRICT OF CALIFORNIA  
14 SAN FRANCISCO DIVISION

15 SECURITIES AND EXCHANGE COMMISSION,

16 Plaintiff,

17 vs.

18 MICHAEL G. SMERASKI, TMOOTHY S.  
19 HEYERDAHL, DAVID F. HELD, ELAINE A.  
20 DECKER, and DEBORAH J. MATTIFORD,

21 Defendants.

22 **C-01 3651**

23 **[PROPOSED] FINAL JUDGMENT OF  
24 PERMANENT INJUNCTION AND LEGAL  
25 AND OTHER EQUITABLE RELIEF  
26 AGAINST DEBORAH J. MATTIFORD**

27 Plaintiff Securities and Exchange Commission ("Commission") has filed its Complaint  
28 for Permanent Injunction and Legal and Other Equitable Relief ("Complaint") in this action.  
29 Defendant Deborah J. Mattiford ("Mattiford"), who was represented by her counsel, has  
30 submitted a Consent to the Entry of Permanent Injunction and Legal and Other Equitable Relief  
31 ("Consent"), which was filed simultaneously with this Final Judgment of Permanent Injunction  
32 and Legal and Other Equitable Relief ("Final Judgment") and incorporated herein by reference.  
33 In the Consent, Mattiford waived service of the Summons and the Complaint, admitted the  
34 jurisdiction of this Court over her and over the subject matter of this action, admitted that she  
35 was fully advised and informed of the right to a judicial determination of this matter, waived  
36 findings of fact and conclusions of law as provided by Rule 52 of the Federal Rules of Civil

**COPY**  
OCT 21 10:15  
**ORIGINAL FILED**  
OCT X 2 2001  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

**EMC**

1  
2 Procedure, consented to the entry of this Final Judgment, without admitting or denying any of the  
3 allegations in the Complaint except to the jurisdiction of this Court over her and over the subject  
4 matter of this action, and waived notice of hearing upon the entry of this Final Judgment. The  
5 Court, being fully advised in the premises, orders as follows.

6 I.

7 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Mattiford, her agents,  
8 servants, employees, attorneys-in-fact and all persons acting in concert or participation with any  
9 of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and  
10 each of them, are permanently enjoined and restrained from, directly or indirectly, violating  
11 Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and  
12 Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5] by:

- 13 A. employing any device, scheme, or artifice to defraud;  
14 B. making any untrue statement of a material fact or omitting to state a material fact  
15 necessary in order to make the statements made, in the light of the circumstances  
16 under which they were made, not misleading; or  
17 C. engaging in any act, practice, or course of business which operates or would  
18 operate as a fraud or deceit upon any person,

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

22 II.

23 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Mattiford and her  
24 agents, servants, employees, attorneys-in-fact and all persons in active concert and participation  
25 with any of them, who receive actual notice of this Final Judgment by personal service or  
26 otherwise, and each of them, are permanently enjoined and restrained from aiding and abetting  
27 the filing by any issuer of a security registered pursuant to Section 12 of the Exchange Act or  
28

1  
2 which is required to file reports pursuant to Section 15(d) of the Exchange Act, any annual report  
3 on Form 10-K, any current report on Form 8-K, any quarterly report on Form 10-Q, or any other  
4 report required to be filed with the Commission pursuant to the Exchange Act or rules or  
5 regulations under that Act, that contains any untrue statement of material fact or omits to state  
6 any material fact required to be stated or necessary in order to make the statements made, in the  
7 light of the circumstances under which they were made, not misleading, in violation of Section  
8 13(a) of the Exchange Act [15 U.S.C. § 78m(a)] and Exchange Act Rules 12b-20 and 13a-13 [17  
9 C.F.R. §§ 240.12b-20, 240.13a-1 and 240.13a-13].

10 III.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Mattiford and her  
12 agents, servants, employees, attorneys-in-fact and all persons in active concert and participation  
13 with any of them, who receive actual notice of this Final Judgment by personal service or  
14 otherwise, and each of them, are permanently enjoined and restrained from aiding and abetting  
15 any violation of Section 13(b)(2)(A) of the Exchange Act [15 U.S.C. § 78m(b)(2)(A)] by causing  
16 any issuer which has a class of securities registered pursuant to Section 12 of the Exchange Act  
17 [15 U.S.C. § 78l] or Section 15(d) of the Exchange Act [15 U.S.C. § 78o] to fail to make or keep  
18 books, records or accounts, which, in reasonable detail, accurately and fairly reflect the  
19 transactions and dispositions of the assets of the issuer.

20 IV.

21 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Mattiford and her  
22 agents, servants, employees, attorneys-in-fact and all persons acting in concert or participation  
23 with any of them, who receive actual notice of this Final Judgment by personal service or  
24 otherwise, and each of them, are permanently enjoined and restrained from, directly or indirectly,  
25 violating Rule 13b2-1 under the Exchange Act [17 C.F.R. § 240.13b2-1] by falsifying or causing  
26 to be falsified any book, record or account subject to Section 13(b)(2)(A) of the Exchange Act  
27 [15 U.S.C. § 78m(b)(2)(A)].  
28

V.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Mattiford and her agents, servants, employees, attorneys-in-fact and all persons acting in concert or participation with any of them, who receive actual notice of this Final Judgment, by personal service or otherwise, and each of them, are permanently enjoined and restrained from violating Section 13(b)(5) of the Exchange Act [15 U.S.C. § 78m(b)(5)] by knowingly circumventing or failing to implement a system of internal accounting controls or knowingly falsifying any book, record, or account described in Section 13(b)(2) of the Exchange Act [15 U.S.C. § 78m(b)(2)].

VI.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Mattiford shall disgorge \$22,859.74, the amount she received as a result of selling her shares of HBO & Co. and/or McKesson HBOC, Inc. common stock into the market at a time when the price of the stock was inflated due to the fraudulent activities alleged in the Complaint. In addition, Mattiford shall pay \$3,578.98 in prejudgment interest on the disgorgement amount. This payment shall be made within thirty (30) days of the entry of this Final Judgment. It shall be made by cashier's check, certified check or postal money order, payable to the United States Treasury, and shall be transmitted to the Comptroller, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under cover of a letter which identifies the defendant, the caption and civil action number of this matter, this Court, and the Commission's internal case number (LA-1027). Copies of each of the cover letters shall be simultaneously transmitted to the attention of the District Administrator at the Commission's San Francisco District office, 44 Montgomery Street, Suite 1100, San Francisco, CA 94104.

VII.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that defendant Mattiford is assessed, and shall pay to the Commission for delivery to the United States Treasury, civil penalties under Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)], in the amount of

1  
2 \$55,000. This payment shall be made within thirty (30) days of the entry of this Final Judgment.  
3 Mattiford shall pay post judgment interest, as calculated pursuant to 28 U.S.C. § 1961, on any  
4 amount of the \$55,000 penalty that remains outstanding thirty (30) days after the entry of this  
5 Final Judgment. All payments shall be made by cashier's check, certified check or postal money  
6 order, payable to the United States Treasury, and shall be transmitted to the Comptroller,  
7 Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, under  
8 cover of a letter which identifies the defendant, the caption and civil action number of this  
9 matter, this Court, and the Commission's internal case number (SF-1027-B). Copies of each of  
10 the cover letters shall be simultaneously transmitted to the attention of the District Administrator  
11 at the Commission's San Francisco District office, 44 Montgomery Street, Suite 1100, San  
12 Francisco, CA 94104.

13  
14 VIII.

15 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Mattiford shall  
16 cooperate with the Commission and truthfully disclose all information with respect to the facts  
17 and events relating to the ongoing investigation by the Commission that has resulted, in part, in  
18 the filing of the Complaint; testify in all investigations, administrative and judicial proceedings in  
19 which the Commission may request her testimony; make herself available for depositions and  
20 interviews as the Commission, upon reasonable notice, may request; produce all documents  
21 within her possession, custody or control, which are requested by the Commission; be  
22 accompanied at any time she so desires by counsel of her choice; give truthful and accurate  
23 information and testimony; and (consistent with the express waiver contained in the Consent) not  
24 assert any fifth amendment privilege against self-incrimination she may have, or any other  
25 privilege or evidentiary objection (other than the attorney-client privilege and work product  
26 immunity) in connection with her cooperation.  
27  
28

IX.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the provisions of the Consent filed concurrently with this Final Judgment are incorporated herein with the same force and effect as if fully set forth herein and that Mattiford shall comply with the Consent.

X.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction over this action for the purposes of implementing and carrying out the terms of all orders and decrees which may be entered herein and to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

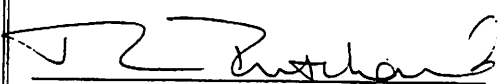
There being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment forthwith.

MAXINE M. CHESNEY

Dated: OCT 2 2001, 2001

United States District Court Judge

APPROVED AS TO FORM:

  
Therese Pritchard, Esq.  
Bryan Cave LLP  
700 Thirteenth Street, N.W.  
Washington, D.C. 20005  
Counsel for Defendant Deborah J. Mattiford